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# West Europe Report

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## WOERNER ON INF, SECURITY, BUNDESWEHR ISSUES

✓ Bonn WEHRTECHNIK in German Jul 83 pp 16-22, 93

[Text] For the first time since assuming his office on the Hardthoehe Minister of Defense Dr Manfred Woerner spoke to the German Society for Defense Technology on the occasion of the spring labor congress in Bonn. In his highly topical and well-regarded arguments the minister first took up the matter of the questions that are affecting the country, the negotiations in Geneva and rearmament, giving more of a warning against the weakness and disunity of the West in this question than against the strength of the Soviet Union and too radical, unilateral concessions by individual NATO countries. To the extent that Dr Woerner's arguments touched on the Bundeswehr, its structure and its background, the emphatically strengthened position of the inspector general, the difficult problems of arms planning, the recognition of the importance of research and development in defense technology and European and transatlantic cooperation in arms were of particular interest. A detailed transcript of Minister of Defense Dr Woerner's remarks is given here.

I was happy to come here. First, to make clear to you what value the government and I place on defense technology and the work of your society. Secondly, to thank you for what you have done for the FRG in the past decades. I know that there are constant attempts to disqualify defense technology and those who are employed in arms factories on a moral level. It is a trend that is on the increase these days. In response to that, I am telling you that there is no effective contribution to defense made by the FRG, there is no securing peace without an important contribution to defense technology, to the arms industry. So you have no reason to hide-- you have made your contribution to peace through your work! I wanted to make that clear by my presence here.

## Four Main Points of Defense Policy

There are four main points that will dominate the defense policy of the next 4 years. In the foreground there is the struggle for a more stable security arrangement in Europe and ensuring peace, for a world without weapons. But the real decision about the future of freedom will be made in the struggle for the awareness, the heads and hearts of our citizens.

So the second main point is the effort to obtain a consensus in our populace about the foundations of our security policy and to regain it where it has been lost. Without a nation's determination to be free and the willingness to defend itself, the best and most modern army is worthless.

The third main point is the strengthening of the Atlantic alliance, of our alliance and the attempt, in spite of all resistance and in spite of a great deal of confusion, to put Europe on the right path in security policy as well.

The fourth main point is the preservation of our ability to defend ourselves by maintaining--wherever necessary--a Bundeswehr that is operational and effective.

Our peace rests on the three pillars of the alliance, national defense and the readiness to seek a peaceful accommodation with everyone, even with the countries of the East. We need only be afraid for this peace if one of the pillars were to start to totter. In light of the recent marches over the Easter holidays let me once again reiterate: There is no danger to peace from us, the FRG, from us, the Atlantic alliance, from the West. We do not want a war, neither a nuclear war nor a conventional war, neither a limited war nor an unlimited war. No one in the West is pursuing the idea of a limited nuclear war.

#### We Will Find Peace and Security only in the Alliance

The policy of the government is clear: We are staking everything on the alliance, we are not wavering and not swaying. Our place is and will remain at the side of the free countries of the West, because we share their values and not just the need for security. We will find peace and security for our citizens only in the alliance. The path into the no man's land between East and West would be the first step into the arms of Moscow for the FRG. For this reason we resolutely reject any kind of neutralism--mental, political or military.

We are neither pursuing a policy nor indulging in the rhetoric of maintaining an equal distance from the two superpowers. We are not putting the Americans and the Russians on the same level, either politically or morally. One side is protecting us, the other is threatening us. One is a free country which allows the countries allied with it to live in freedom. The other is a dictatorship which suppresses freedom in its satellite states. We must not allow this substantial difference to be blurred more and more in the younger generation, and not only there.

#### The Soviet Union Is Not Prepared to Acknowledge Our Security Interests

The threat to the free West from the claims of the Soviet Union to power and influence is continuing. And so, in view of the considerable confusion that exists in this matter, I can say: Our partners in security are the allied countries of the West. To this very day the Soviet Union is not prepared to acknowledge our security interests, much less to respect them. The negotiations in Geneva prove this once again. The Soviet Union is gambling on superior strength against us and not on security with us. Europe alone does not possess the strength to resist this claim to power and influence successfully. In the last decade the Soviet Union has steadily built up its arms at all levels of weapons under the cover of

a policy of detente and has systematically and purposefully expanded its own possibilities for military action. It is increasingly denying the Western alliance the possibility of reacting effectively and is seeking to frustrate the Western strategy of flexible response.

At the same time the Soviet Union is trying to set up its arms control proposals in such a way that it limits the West more and more in its opportunities for action, while it secures complete freedom for military action for itself. This becomes quite clear in a thorough analysis of Andropov's proposals. When I talk about threat, I do not mean primarily an imminent war, rather I mean the vulnerability to blackmail, the feeling of dependence, of defenselessness, of helplessness, particularly in times of crisis. In the final analysis that is political subjugation! In this instance the fear of many people would have a real basis: Farsighted obedience and preventive good behavior toward the Soviet Union would be the attitude dictated alike by reason and emotion. To threaten, that is also political struggle, the transformation of military superiority into political forces. It is an attempt to weaken the population of the free countries of the West.

Are the current reactions of the public not a particularly good example of the danger of being open to extortion? Is their fear--which has anyway always been a poor counsellor--of the possible consequences of a restoration of the military balance not greater now than their concern about and fear of the hundreds of SS-20 rockets already aimed at us?

The year 1983 is one of portentous importance for us and for the entire alliance. We are facing a twin test: First, the determination and the ability of the free nations of Europe are being put to the test, second, the true will of the Soviet Union to disarm. And both are intimately connected. Only if we retain our determination and our capability to defend our freedom, will we be in the position of inducing the Soviet Union to really disarm. It is clear that the Soviets are attempting to avoid this test by seeking to shake our defense capability: first by influencing public opinion, secondly by an unparalleled war of nerves, thirdly by a mixture of threats and enticement and fourthly by exploiting the fear that is spreading in Europe.

#### We Need Mental-Psychological Firmness

Is it not paradoxical that, in spite of Afghanistan, many people here are more afraid of the policies of those who are protecting us than of the policies of those who are threatening us. For this reason I attach the greatest importance to this: We must pass this test with respect to our mental-psychological firmness, particularly if we want to achieve progress in the field of disarmament. But if the USSR succeeds in upsetting the dual resolution and making the West disarm unilaterally or making it legitimize Soviet superiority, then the Soviet Union will not need to disarm, it will have achieved the political objective that is bound up with its advance rearming: The transformation of Western Europe into a reduced security zone or better: of confirmed insecurity, the division of the West and with that Soviet domination of Western Europe. This has been an objective of Soviet policy in recent decades and has remained an unambiguous objective until today.

## The Soviet Union Wants to Decouple Western Europe from the United States

The key to achieving this objective is to decouple Western Europe from the United States. Not for nothing has this decoupling been pursued over the decades with rare persistence, with changing tactical methods--but always with a constant objective. For Western Europe being decoupled from the United States means dependence on the Soviet Union. The SS-20 is in its core a political weapon of decoupling. With the SS-20, Western Europe is to be exposed to a threat which it cannot counter with anything of equal value, while the strategic potentials of the two world powers hold the balance and thus mutually paralyze each other.

Andropov's proposals--counting the SS-20s against the British and French systems--serve this objective. The Soviet monopoly in medium-range missiles is to be confirmed in writing, the United States is to be prevented from taking effective countermeasures and Western Europe is to be cut off from the protection of the United States. The consequences would not be a few rockets more or less, not a little more or a little less disparity, but--and this has not been recognized clearly enough by many people--a fundamental change in the European security system with fateful consequences for the political independence of Western Europe.

It is for this reason that I say that 1983 will decide the fate of peace. We will only find success at the disarmament talks in Geneva if the West remains firm and united. If one observes Soviet policy and the Soviet method of conducting negotiations and all the other negotiations that there have been in recent years and decades, one thing is quite clear: The Soviet Union is only ready to make concessions when it encounters a single, united and firm West. Anyone who abandons or questions the dual resolution is condemning the disarmament negotiations in Geneva to failure.

I repeat: We do not want an arms buildup, we want to disarm. Even the result of the elections for the Bundestag have not reduced our interest in success for the negotiations in Geneva. We are still looking for success at the bargaining table. We want the Soviets to remove their preplaced medium-range missiles so that we do not need to rearm.

For this reason the zero-zero option remains the optimal goal and the best solution for us and for our citizens. But we remain prepared to reach any balanced and equitable compromise. We were involved in the West putting forward a compromise proposal supported by us. But now it is up to the Soviet Union to make an effort. Our negotiating position was never that of all or nothing. Negotiating means searching for agreement, means mutual accommodation. We want to continue negotiating!

## We Do Not Want an Arms Buildup, We Want to Disarm

The Soviet Union must realize: We cannot and will not reconcile ourselves to being threatened by Soviet SS-20 rockets, for the sake of our citizens' security. And we will not accept a Soviet monopoly in medium-range missiles. That means there is only one way for the Soviet Union to prevent rearmament here, by meeting us halfway

and moving in Geneva. I will say here in the interest of many citizens who are concerned about the arms race that we understand this well. And I am also saying this to a circle of people who bear responsibility in defense technology or in the Bundeswehr, probably--in fact I am certain--also in your sense: Who would not prefer a thousand times over to spend the billions that are expended in the world for arms to remove hunger and need in the world? Except: We are not the ones who are turning the arms spiral.

#### Balance Has Safeguarded Peace for Us

It is the Soviet Union that is clearly banking on military power and forcing us to take countermeasures to maintain the balance, that balance that safeguards peace for us to this very day. This is what I publicly affirm to the soldiers of the Bundeswehr at every opportunity: Through your service in our armed forces you have contributed considerably more to securing peace than those who use the word peace daily and very frivolously.

As much as we understand the concern of many, we do not at all share the panic-filled fear of those who consider a nuclear world war unavoidable. We are convinced, and I am certain that we can spare our people a war in the future. The Soviets are coolly calculating power politicians, but they are neither adventurers nor idiots or even suicides. They will not use nuclear weapons as long as they know that this would mean their destruction as well.

In this phase of political change there are chances besides the dangers, chances for real disarmament. Many of the discussions that I have had in the last weeks and months confirm this for me. The economy of the USSR is running into more and more serious difficulties. It is hardly possible for them to overcome these difficulties if they strengthen their arms further to the extent they have in the past. Even for the Soviet Union there are limits to the sacrifices it can expect of its citizens. If we succeed in making clear to the Soviet Union that lapping the West militarily and thereby winning the upper hand politically is and will remain a hopeless proposition, the moment will come when it must see that an unlimited continuation of the arms race makes no sense for them either.

#### No More Unilateral Concessions

It is up to us, the West, whether and when this moment comes. So we are among those who are much more fearful of the weakness of the West than of the strength of the Soviet Union. For this reason we must reach a united strategy on the part of the alliance toward the Soviet Union, including the economy. We must pursue a policy toward the Soviet Union that does not push it into a corner or want to bring it to its knees, but which is rather based on cooperation and understanding, on dialog and negotiation, but which in return insists on moderation and worldwide responsible behavior from the Soviet Union and which above all maintains our own defense capability undiminished and thus bars the way to a military quarrel. Unilateral concessions--particularly in view of the existing imbalance--go against the principle of secured defense capability. The Soviet Union will not renounce anything if the West were to reduce its armed forces unilaterally.

There is no historical experience that would justify a different assumption, on the contrary: The Soviet Union did not react with similar restraint to the self-imposed, unilateral moderation in the arms policy of former U.S. President Carter. Neither the cutting of the B-1 bomber nor the postponement of the decision on the production of neutron weapons, nor the lowering of arms export numbers was honored by the Soviets.

So it is not true that the path of unilateral concessions has not been tried. It has been tried. Its only effect has been that the Soviet Union increased the speed at which it was arming or at least maintained it.

Not a single additional medium-range missile has been stationed in the FRG for 7 years.

But for 7 years we have watched how rockets were deployed on the other side against us. The capability of the alliance to deter an attack on its countries remains crucial to its success.

That means our armed forces must remain strong enough to make the risk for any political aggressor incalculable.

The structure and weaponry of the armed forces of the Warsaw Pact determine the conditions of the basic framework for our strategy. For the present situation and the foreseeable future I see no reasonable alternatives to the accepted strategic plan of the alliance; but I can clearly see--and I made it clear when I was in the opposition--the necessity of strengthening our conventional defense force. It is a matter of keeping the nuclear threshold in Europe as high as possible. Every European must have a vital interest in the alliance's strategy not being dependent on premature use of nuclear weapons. The modernization of conventional forces and the use of modern weapons technology are ways to achieve this, ways that are associated with great cost.

#### The Human Being Has Absolute Priority for Me

As far as the Bundeswehr is concerned, there will be no change from the priorities I set in the present legislative period. Even if it has been misunderstood here and there, I repeat: The human being in the Bundeswehr and in the civilian area of the Bundeswehr has absolute priority for me. It is an inviolable doctrine from military history for me, and every conversation that I have with soldiers who were in the last world war confirms it: the mind, attitude and character of the soldiers determine more than anything the value of an army in peacetime as well as in combat. That is why my first concern is for them. Improvements in training, leadership and supervision are the next step. The sharp drop in the strength of age groups at the end of the 1980's will dictate this main point: To make every effort to be able to maintain the personnel strength of our armed forces at the end of the 1980's.

Primary consideration is being given to increasing the proportion of long-term soldiers and alleviating the backlog in assignments. If I stress the mind, training and the priority of the soldier and the human being, I am not being a Luddite.

I know very well that modern equipment is part of a strong army that is ready for action.

My next main point is the consolidation and continued improvement of planning and acquisition for the Bundeswehr. In the first phase of post-war development the German defense contribution was designed as part of the alliance and arranged in the overall framework of NATO. A conscript army with a high proportion of professional and long-term soldiers was chosen as the defense system. The basic structure of the armed forces, their importance in the alliance and their initial equipment were determined. In the second phase, from the end of the 1960's on, changes in foreign and security policy, technological and social changes had to be overcome. Changes in our East-West relations and modernization in weapons technology have become the deciding factors.

#### A Good Applicants' Situation for Long-Term Soldiers

We have recognized since the beginning of the 1980's that the Bundeswehr has reached the threshold of a third phase of its development: The armed forces' need for conscripts can still be met today, but the applicants' situation among the long-term soldiers is developing at the moment in an almost dramatically positive way, which naturally pleases us all. The modernization program in armaments is being carried out--but difficulties are beginning to appear which can lead to strong tensions in the total structure of the Bundeswehr.

The overall economic situation and the problems of development in our society, most conspicuously unemployment, do not permit the simple way of satisfying all demands with the aid of high real rates of increase in the defense budget. Added to this--an important feature of the procurement program--is the disproportionate increase in cost of arms. With tight budgets in the last few years this had to lead to reductions in numbers for weapons systems and equipment--quantitative losses which were only partially balanced by considerable increases in quality.

Looking at the next decade and against the background of the economic and financial situation and the modernizations that will be due, this development cannot continue unchecked.

#### Closer Cooperation Between Industry and Armed Forces

We must give up perfectionism--from all sides if you please. And we must make the cooperation between industry and armed forces even closer. This will advance us in our efforts to make the exchange of information uncomplicated and free of bureaucracy and to work out planning for the Bundeswehr that is so solid as to give industry definite guidelines so that it is not constantly wavering because the planning is changed every year. In the long run that is not compatible with the goal of efficient arms planning. I have therefore begun holding intensive discussions with the defense industry--and I will continue to do so.

Determining the makeup of the Bundeswehr in the future is the task of Bundeswehr planning. Priorities are set here, investments and operation are weighed against each other and the medium-term financial framework is filled in. Thus, as happened

in recent months--and this is a difficult task--planning must be continuously updated when binding medium-term financial planning is not yet available.

#### The Bundeswehr: Back in the Planning Cycle

This month in the government we will begin establishing the budget for the coming year and also the financial framework of medium-term financial planning for the next 4 years. There will be some difficult confrontations. We are still under the constraint of deep-reaching economy measures. But anyone who is following matters attentively and with some knowledge knows that we have no alternative, if we want to consolidate our economy and our national finances. Still, we in the Ministry of Defense had to update planning for the Bundeswehr without knowing the figures. We did it. With the Bundeswehr plan for 1984-1986, approved by me, we are back in the planning cycle. This plan is a first step on the way to an effective Bundeswehr for the 1990's, in which not only money but also personnel will be in short supply.

#### The Inspector General is Responsible for Planning

This constraint necessarily caused us to grant Bundeswehr planning a higher place in the future than previously. We are beginning work at top pressure to revise other missing planning documents. I have already said on many occasions, I will repeat it here: In the Ministry of Defense, the inspector general is the one responsible for planning, specifically for all phases of planning, from design to execution. The principal reason why I turned down the model of a controller that my predecessor had planned was not only the danger, but the certainty that planning would have been cut at its sensitive spots. All my conversations with industrialists, with men from management, from the professional field have shown me that not a single company cuts through its planning processes in this way.

I will say it once more: The inspector general is and will remain the one responsible for all phases. I have made it plain that I am lending him my support and will lend him my support in this responsibility, because he must establish priorities, he must combine the planning ideas of the branches of the armed forces into a whole, a plan for the Bundeswehr. He has to find the balance between the militarily indispensable and available funds. From a planning perspective, one thing remains decisive: The military capabilities of the enemy and the role of our own forces in the alliance are the determining factors for the application of available budgetary funds. That is what is meant when people talk about planning to meet the threat. How much money is altogether available to the federal budget for defense annually is the result of how high the military risk is estimated and evaluated and how parliament and the government weight this risk within the framework of overall political planning and responsibility.

#### Facing Big Problems in Defense Planning

In defense planning we are facing big problems. The weapons systems of the new generation are crowding in. In 1982 prices they are costing us about DM 69 billion. By the end of 1982 we paid about DM 36 billion, that is only about 52 percent. So there is a financial mountain ahead of us for major equipments items--and this comes in a situation that is characterized by three factors:

First, by the clear priority given to restoring the health of the nation's finances, which I support specifically as minister of defense, because only in this way can the future of the Bundeswehr and of defense be assured. Devastated national finances are the worst basis for security that one can imagine. Secondly, by tight money for research and development and thirdly by large gaps in so-called peripheral equipment.

I am not reproaching any of my predecessors or any soldier or civil servant with the fact that in recent years, quite clearly under the constraint of tight money, peripheral equipment was neglected in favor of major equipment items. This situation cannot continue over the long run, because cost effectiveness, the effectiveness of weapons systems also and specifically includes peripheral equipment.

#### Invest More in Research and Development

What can and must happen? The first thing that must be altered: We must once again invest more in research and development. The commission on long-term Bundeswehr planning has recognized this central concern. I have ordered the follow-up investigations that resulted from the commission's report. Preliminary findings are beginning to take shape. Without anticipating them: We will release funds in future for intensifying research and development, within the limits of what is possible, if necessary by shifting money around. This does not mean that major weapons systems will be pushed out of defense planning. During discussions on the plan for the Bundeswehr we determined that we are facing a difficult phase. During the year this will result in some important decisions. Fundamental decisions about the next, the third generation of weapons in all three branches of the armed forces are coming up soon in several important areas. So we have to scrutinize the planning proposals of all branches of the armed forces. I want to know whether weapons systems now available or under delivery can replace new acquisitions planned for a limited time duration by extending their lifetime or increasing their combat effectiveness, with an acceptable risk and acceptable lifetime costs. Alternative planning estimates must be developed in order to equalize the acquisition of major items of equipment over the long term in such a way that financial peak loads are avoided and funds can be released for peripheral equipment and research and development.

I repeat: Increasing funds for research and development will brook no delay. We had dropped to a denominator that was below that of every comparable industrial nation. When one knows what a stimulus defense technology creates in the civilian economy, when one knows that basically one's status as a major industrial power cannot be maintained without a functional and competitive defense technology that is highly developed in at least one area--then one recognizes what damage can be inflicted over the long term if research and development are cut--which naturally creates the fewest problems in the short term. The sins that are being committed here today will not be visible for 8, 10, 12 or 14 years!

Consequently we have made a start in the 1983 budget and clearly increased funds for research and development compared with the previous year by DM 165 billion, or about 10 percent. This should be continued again in 1984 with a substantial

increase. I only hope that we succeed with this proposal in the budget deliberations in the cabinet and with the minister of finance.

It is important to apply these funds purposefully. A design for research and technology, on which we have been working for some time, is intended to assist us in this.

In an initial step we have systematically grouped current research and technology activities in a so-called phase prestage and revealed their financially important points. As a second and very important step, we will ascertain the important points in research and technology. By their very nature they will be oriented to the long-term and security policy concepts that we have agreed upon with the alliance over the long term. From the military capabilities that will be required in the future and the qualities of future defense material that are derived from them, armament objectives will be established that are based on what is scientifically and technologically possible. In essence, it is a question of determining those areas of research and technology which are making an above-average contribution to attaining one or several defense objectives. At the moment we are in the process of finding suitable methods for selection, decision and allocation of funds. Even the first quick study of this work has shown me how difficult this work is and I am asking industry for its cooperation.

I would like to keep two aspects in mind:

First, The topic "improvement of conventional defense capability," or, as it is called in new German "emerging technologies," belongs in the context of research and technology. We are currently compiling in the house and in the alliance design proposals with planning, strategic, technological and defense-industry components. The defense objectives, from which the main points for research and technology can be derived, will not be defined until the findings of the investigations are available. A tedious planning process with all types of risk factors! I will follow this path determinedly, we cannot stop at mere proclamations. If we want a strengthening of our conventional defense capability, we must bring it about in the area of research and development.

Secondly: The main points of research and technology are the track on which we can and must meet with those in positions of responsibility in industry. We will jointly determine the areas of research and technology that are most important. Again, that is a call to industry for its cooperation. I am being very open here, and with me the officials and soldiers of the Ministry of Defense--even if we occasionally have to find unconventional ways.

#### An Efficient European Defense Industry

At this point I would formally like to declare myself a follower of an efficient defense industry. We need it today, we will need it in the future in order to equip our Bundeswehr with the weapons systems that it requires to go into action. Every knows that we are not aspiring to self-sufficiency in arms. Self-sufficiency in arms could not be paid for and would be undesirable for alliance politics. As in the past, we will strive for cooperation in armaments in the alliance

in the future. We want to use the resources of all the partners in the alliance as best we can in order to improve our defense capability and to strengthen cohesion in the alliance. I am strongly interested in the preservation and expansion of an efficient and competitive European defense industry. Not because I absolutely want European preference in the alliance but because I have felt, and in the months of my holding office I have had to feel increasingly, that without this efficient European defense industry the transatlantic dialog and transatlantic cooperation, of which I am also a disciple, cannot function.

#### Become Serious about the Two-Way Street

The difficulties here are known--I will mention the Specialty Metals Clause as representative of many. The European NATO countries, the committees of the alliance, colleagues from parliament--to whom I owe thanks--and I have undertaken every type of step with the U.S. government to remove this obstacle. We have talked long enough about two-ways streets--I would like to make it a serious reality! The Americans know that they have to take me seriously. For example, there will only be an improvement for me in conventional defense capability, such as we have decided on in the alliance with my enthusiastic support, when it is brought about by means of a genuine two-way street. I consider the family concept the only possible one: At the earliest possible stage those areas must be defined that will be assigned to the Europeans or the Americans in order to avoid our being tied down afterwards.

We cannot expect the Europeans, the Germans to purchase their defense equipment exclusively in the United States, and the Americans cannot make up their minds to buy European weapons systems. That is unacceptable! If the Americans do not eliminate the Specialty Metals Clause, they must realize that we will draw our own conclusions.

#### Challenge in the Area of the Mind

I would like to add a last thought. The biggest, most difficult and most important challenge that we face is not in the military, in the economic, in the political or in the technological area--it is in the area of the mind, in the area of awareness and determination. This is where the decision will be made whether the alliance, our freedom, our future will endure. The strength of our alliance is the strength of its determination to be free. At present there are unsurveyable dangers lurking there. If there is a crisis in the alliance, it is the campaign of fear which is guiding the determination to be free and which is leading to a mentality of submission and subservience. Which ends up in that fateful slogan "Better red than dead," which is so diametrically opposed to all the noble and good traditions of European intellectual history.

The number of those who are seeking security in unilateral Western self-restraint and who are consciously or unconsciously putting an axe to the roots of our freedom is growing. Therefore we must energetically resist all attempts to undermine our determination and our capability to defend ourselves. It does not matter whether these attempts come from inside or outside, independent of whether they are made by benevolent or malevolent people. We have to demonstrate strong nerves

in a war of nerves. We have to conduct the campaign against fear with much more determination.

#### The Password Must Be Courage, Not Fear

The password must be courage, not fear. And we must do this more aggressively, not with a sense of embarrassment, not excusing ourselves, not with a bad conscience. The more naturally, the better. To this very hour I am absolutely certain that the majority of our country is on our side. Except: This majority is looking for orientation, it is looking for stability, it is looking for a model, it is looking for leadership. I can tell you one experience from this short term in office: The more clearly, the more plainly, the more naturally you stand behind the soldiers of the Bundeswehr, of this Bundeswehr and defense, the clearer and plain-er will be the approval that you will receive for that.

Things are not the way many media pretend they are, that our country is in the state of mind that some people are proclaiming particularly loudly. I really do not want to restrict freedom of opinion--it must exist, with everything that is negatively associated with it.

But one thing is not necessary, that we take the excerpt that the media--particularly the electronic media--transmit to us for the reality of our country.

We can also not longer allow the discussion about peace to be reduced to the question of weapons or even of nuclear weapons. There is no peace between nations without freedom and human rights. The real danger to peace can be found where nations are forcibly divided, where human rights and human dignity are trampled on, where freedom is suppressed, where the meeting of peoples is prevented. It is truly incredible that we are holding a discussion about peace that is sticking to nuclear weapons exclusively but which does not consider where the real cause lies that we do not have peace. It is not up to us! We are not building any walls, we are in favor of exchange, we are in favor of meetings, we are in favor of cooperation! Anyone who wants peace must ensure justice and freedom in the entire world.

The peace that we want is not peace in chains, it is the peace that our citizens experience every day, peace in freedom. As eagerly as we desire peace, we remain determined to defend our freedom. We know: Anyone who surrenders his freedom, gambles away peace. So our vision is a vision of free people, who are united by the respect for the dignity of man and his rights and who live in peace. It is this vision that gives us strength and confidence.

9581

CSO: 3620/402

## GASOLINE IMPORTS DROP BY HALF SO FAR IN 1983

Reykjavik MORGUNBLADID in Icelandic 14 Jul 83 p 23

[Article: "Gasoline and Oil Imports Reduced by 32 Percent January-May:  
Gasoil Import Reduced by 46 Percent"]

[Text] The import of gasoline and oil during the first 5 months of the year was reduced by slightly over 32 percent, while the total import was 121,929.2 tons compared to 179,508.5 tons during the same time last year. The value increase in the import is only slightly over 24 percent, or 570.9 million kroner compared to 459.5 million kroner.

The import of gasoline increased during the same period by 7.5 percent, as 37,556.5 tons were imported, compared to 34,921.7 tons during the same period last year. The value increase between years is slightly over 81.4 percent, or 197.9 million kroner compared to 109 million kroner.

The import of gasoil declined by 46 percent, as 43,411.0 tons were imported, compared to 80,788.5 tons during the same period last year. The value reduction between years is about 1.3 percent, or 220.6 million kroner compared to 223.6 million kroner.

Import of black oil declined by 32.8 percent, as 32,349.6 tons were imported compared to 48,163.5 tons during the same period last year. The value increase between years is about 35.2 percent, or 104.5 million kroner compared to 77.3 million kroner.

The import of aviation fuel declined by 23 percent, as 596.9 tons were imported, compared to 774.3 tons during the same period last year. The value increase between years is about 30 percent, or 5 million compared to slightly over 3.85 million kroner.

The import of jet fuel declined by 46 percent, as 8,015.2 tons were imported compared to 14,860.6 tons during the same period last year. The value reduction between years is about 6 percent, or 42.9 million kroner compared to 45.6 million kroner.

9583

CSO: 3626/47

## FUEL, GAS PRICE RISES LISTED

Lisbon DIARIO DE NOTICIAS in Portuguese 3 Jul 83 p 1

[Text] Minister Veiga Simao ended the doubts that have existed since Friday about the day and hour the new fuel prices would go into effect with last night's announcement. The increases announced yesterday by DIARIO DE NOTICIAS correspond with the prices announced by the industry and energy minister. A 10-percent increase was confirmed in the electricity rate which, according to Veiga Simao, is to minimize the effects of the drought. Note that the media had reported that the new prices were to go in effect the day before yesterday at midnight as the news agencies had reported.

This list of the current prices for fuels is given below; the old prices appear in parenthesis.

Super gasoline, 84 escudos (74); regular gasoline, 81 escudos (70); kerosene for lamps, 46 escudos (40); kerosene, 47 escudos (41); diesel fuel, 46 escudos (40); fuel oil, one percent, 21 escudos (19); fuel oil, 3.5 percent, 19.50 escudos (17.50); fuel oil, one percent (EDP, [Portuguese Electric Power Company]), 19 escudos (17); fuel oil, one percent, (EDP), 17.50 escudos (17.50); bottled butane, middleman, 49 escudos (39); bottled propane, middleman, 49.50 escudos (40); bottled butane, consumer, 50.50 escudos (40.30); bottled propane, consumer, 51 escudos (41.50); piped bulk, 51 escudos (41.50); piped bottles, 51 escudos (41.50); bulk butane, 45 escudos (39); bulk propane, 45 escudos (39); and natural gas, 16.50 escudos (12.50).

The diesel subsidy for farmers goes up to 9.50 escudos (previously 5 escudos).

In addition to all this, Veiga Simao's announcement also contained some messages which the media's political reports will comment on in the coming days. The minister announced that the government will present the national energy plan to parliament in the beginning of 1984 and within 6 months a decision will be made public concerning the public energy sector.

After severely criticizing the policies followed by previous governments which, for the most part, he held responsible for the current crisis, Veiga Simao also said that the government will go ahead with the publication of a "white paper" on the nation's economic and financial situation.

9935

CSO: 3542/164

## CONCERN EXPRESSED OVER RAPIDLY RISING UNEMPLOYMENT RATES

Athens AKROPOLIS in Greek 12 Jul 83 pp 1,9

[Text] Unemployment is galloping. And it is taking dimensions dangerous for the country's economy. The data reported are characteristic. Specifically, the unemployment indicator for the month of June showed a 31.2 percent increase compared to the same month in 1982.

According to official data issued by OAED [Labor Force Employment Organization], the total number of unemployed in June reached 44,582, compared to 33,968 in June 1982 and 26,370 in June 1981.

It is worth noting that the change in the average number of unemployed for the six months January to June showed a 25.7 percent increase in 1983 in comparison to 1982, versus the 7.9 percent increase shown by 1982 in comparison with 1981.

## Problems

Economic observers, analyzing the above data, expressed their intense uneasiness about the unprecedented dimensions which the problem is assuming. The above numbers, they stressed, indicate that this year the relief valve for the problem--seasonal tourist jobs--did not function satisfactorily, as in other previous years; as a result, the pressures on the labor market are creating huge economic and social problems.

The government, however much it would like to cover up the situation, is forced to acknowledge the truth to a degree. It has recognized the awful dimensions of the problem and constantly promises to take measures to deal with it. In practice, however, all remain dreams.

Underemployment was also observed in the past, but then it was mainly relative since it was due to a poor interrelation between supply and demand. Today, however, unemployment is absolute, and in large urban centers it reaches ten percent, while in rural areas it exceeds seven percent.

These percentages, translated into absolute numbers on the basis of the country's active population, give a number of unemployed surpassing 300,000 by far.

But the most disturbing thing, note observers, is the rates of increase in unemployment which give the whole situation the nature of a thriller.

The problem of unemployment among youths is more acute; the number of unemployed among them has increased dangerously in recent years. Today, young people under 30 represent more than 63 percent of the total number of unemployed. It should be noted, however, that graduates of the lyceums and universities who are looking for work are not included among the recorded unemployed youths.

One indicator is the huge lines of young professionals trying to secure a position in the public administration, banks and organizations. It is a desperate effort by thousands of young people to avoid a marginal life since they have not succeeded in entering the productive system.

But the positions are few and the interested many. The problem is being perpetuated and enlarged, with no sign of a possible recovery. The government's measures have proven futile, even in maintaining unemployment at the same levels, while no long-lasting preventive law is appearing to give any measure of optimism.

9247

CSO: 3521/379

## BRIEFS

EEC AGRICULTURAL AID--The Ministry of Agriculture calculates that the total payments from the EEC's funds for agricultural sureties [Fonds Europeen d' Orientation et de Garantie Agricole] (FEOGA) amount to 70 billion drachmas for the entire year. Within the first six months, YDAGEP (the service in the Ministry of Agriculture responsible for absorbing Community funds from the "sureties" sector) received and distributed 35 billion drachmas, as compared to 45 billion drachmas in 1982. In the ministry's communique yesterday, 14 July, it is reported that "these results are mainly due to the reorganization of YDAGEP." [Excerpt] [Athens I KATHIMERINI in Greek 15 Jul 83 p 9] 9247

TERMS OF JAPANESE LOAN--A loan worth 10 billion yen (41.5 million dollars) was signed yesterday, 15 July, in Tokyo by the Bank of Greece vice-governor, Evang. Kourakos, and representatives of Japanese credit firms. This loan will be assigned to the Public for various financing purposes and to cover part of the payments for amortization of the state's foreign debt. According to the Bank of Greece's announcement yesterday, the loan's duration is eight years, with a four-year grace period. The interest rate is the long term prime rate on the Japanese money market, increasing by one percent a year. The time for assuming the loan is three months. The terms for the loan, as well as the composition of the group which includes insurance organizations, reflect--as the Bank of Greece maintains--the interest of foreign investors in Greek loans. It is noted that this is the first Greek syndicated loan to occur in the Japanese money market. [Text] [Athens I KATHIMERINI in Greek 16 Jul 83 p 9] 9247

CSO: 3521/379

## DROP IN GNP FOR 1982-1983 IS GREATEST SINCE WORLD WAR

Reykjavik MORGUNBLADID in Icelandic 30 Jun 83 p 33

[Article: "GNP Decline for 1982/1983 Second Largest Since End of Second World War"]

[Text] The total decline in the Icelandic GNP for 1982/1983 is the second largest ever since the end of the Second World War, as is stated in the May issue of the monthly HAGTALNA. The basis for the statement is an economic projection for 1983, but the prospects are that the fish catch will fall still more than projected.

It is stated in a news release of the Icelandic Trade Council that there have been five recessions, that is, 1949-1952, 1957, 1967 to 1968, 1975 and 1982 to 1983. The greatest decline in the GNP was during the years 1967 and 1968, or in all 7.9 percent of 1966 GNP. The GNP decline for 1982 and 1983, on the other hand, was 6.9 percent of 1980 GNP.

The situation with respect to the gross national income fall is different. The fall in the gross national income for 1982/1983 was 5.7 percent, less than the decline for 1949-1952, 1967-1968, and 1975. The greatest gross national income decline was during the years 1949 to 1952 or a total of 14.1 percent compared with 1948 national income. The gross national income decline for 1967 to 1968 was, on the other hand, 11.8 percent. The following table shows GNP and gross national income declines for the recessions that have taken place since the end of the Second World War.

Table.1. Recession Declines of GNP and Gross Nation Income

	<u>1949-52</u>	<u>1957</u>	<u>1967-68</u>	<u>1975</u>	<u>1982-83</u>
GNP Decline	6.7%	0.5%	7.9%	2.0%	6.9%
GNI Decline	14.1%	1.4%	11.8%	5.8%	5.7%

9857

CSO: 3626/44

## INDUSTRIAL EXPORTS REGISTER LARGE INCREASE

Reykjavik MORGUNBLADID in Icelandic 7 Jul 83 p 48

[Article: "Capital Goods Exports Increased by 39 Percent"]

[Text] Capital goods exports grew during the first 5 months of the year by 39 percent. Exported were a total of 86,495.7 tons compared with 62,003.7 tons during the same period last year. The value increase between the years was 145 percent, or nearly 1,600 million kronas against nearly 654.2 million kronas. To obtain the same value in dollars, exports had to increase by nearly 100 percent in Icelandic kronas between the years.

Total Icelandic exports fell by 7 percent during the first 5 months of the year. Exported were a total of 230,390.6 tons compared with 247,651.3 tons during the same period last year. The value increase between the years is around 95 percent, or 5,714.3 million kronas against 2,926.3 million kronas.

Among individual components of capital goods exports, aluminum and aluminum alloy may be mentioned. Exports grew by 59 percent during the first 5 months of the year. A total of 47,450.8 tons were exported compared with 29,827.9 tons during the same period last year. The value increase between the years was around 207 percent, or 1,104 million kronas against 359.2 million kronas.

Silicon-iron exports fell by 47 percent during the first 5 months of the year, and the value decline was 17 percent. Woolens exports grew by 1 percent between the years. Hide exports fell, on the other hand, by 31 percent. Exports of fisheries products grew by 31 percent. However, exports of canned fisheries products declined by 21 percent.

Exports of pumice and cinders grew by 542 percent and exports of kelp meal grew by 285 percent. It may be mentioned that exports of scrap iron grew by 63 percent.

9857

CSO: 3626/44

## ECONOMIC RESEARCH INSTITUTE ISSUES DISMAL 1983 FORECAST

Reykjavik MORGUNBLADID in Icelandic 12 Jul 83 p 20

[Editorial: "Consumption Beyond All Bounds"]

[Text] The Icelandic Economic Institute has recently issued a revised economic projection for the year 1983. It shows in no uncertain terms how the government of Gunnar Thoroddsen guided the national ship into difficult seas in recent years, when consumption was beyond all bounds. In the view of the Economic Institute the Icelandic foreign-debt and payments burden have attained such levels that "it is no longer advisable to continue along the road of balancing a considerable foreign-trade deficit with foreign loans, except in the case of activities which will absolutely aid the economy in the next few years." So it is stated in the conclusion of the newly revised economic projections. These words can only be interpreted as referring to the policy of the government of Gunnar Thoroddsen who delayed developing measures to stem consumption beyond all bounds by increasing the foreign-debt burden--that is, accumulating foreign debts to sustain consumption instead of actions which would absolutely better the condition of the Icelandic economy. In fact there is nothing amazing about the fact that a government in which the Communists held a veto power in energy and industrial matters should be thwarted in those actions that would have been most profitable for the people.

It is stated in the revised economic projections that the fall of per-capita income per worker will be around 11 percent for the years 1982 and 1983. It is stated that GNP this year will be around 6 percent worse than last year. It is calculated that the decline of GNP per worker will be around 12 percent during the years 1982 and 1983. The Economic Institute states that the decline in GNP and gross national income is the result, to some degree, of increase foreign-interest payments. In this connection it should be mentioned that state expenditures continued to grow in 1982 even though GNP declined. The last government remained in office from August 1982 to April 1983 without having the power to halt consumption beyond all bounds. With the measures of the new government, however, a major effort has been made to put the brakes on. On the other hand, foreseen is an 11 percent decrease in total state expenditures during the year, not the least because of a 13 percent regression in the purchasing power of the disposable income of individuals.

During 1982 the balance of trade was unfavorable by 10 percent of the GNP something that is a clear indication of consumption beyond all bounds. In the National Economic Projects for 1983, issued in the autumn of 1982, it was calculated that the trade deficit during the year would be 6 percent of national production. Shortly before the elections of April, the Economic Institute held it likely that the deficit would be 4 percent of GNP, but in the most recent economic projections made after the formation of the new government, it is stated that it would be barely 2 1/2 percent of the GNP.

All of these figures and the interpretations of the Economic Institute on the need for a policy change in terms of foreign debt show that the government of Gunnar Thoroddsen was on the wrong road in its confusion and could not do what needed to be done in terms of the Icelandic economy. This fact also confirms the statement of Gunnar Thoroddsen in an article in MORGUNBLADID last Saturday that the prime minister did not have the power to bring his partners to the government to discuss changes in the value improvement system of wages, a system which he called an "automatic, inflation-increasing system"--and it was the first duty of the new government to get rid of the system.

9857

CSO: 3626/44

## ESTIMATED DROP IN GNP IS REVISED DOWNWARD

Reykjavik MORGUNBLADID in Icelandic 5 Jul 83 p 2

[Article: "Greater Drop in GNP Than Projected"]

[Text] The results of the economic projections presented yesterday at a meeting of government and labor leaders, are, according to MORGUNBLADID's interpretations, that the Icelandic GNP this year will be 6 percent below last year's. In the economic projections for April the estimate was for 4 1/2 to 5 1/2 percent decline.

The improvement in the terms of trade foreseen for this year will amount of 1 1/2 percent of national production and thus will be a total decline in national income of 4 1/2 percent.

There was discussion at the meeting about the prospective establishment of a new indexing basis after 1 August. There was a good deal of discussion without any conclusions being draw. The Icelandic Trades Union Congress in turn asked about details of the 1 June index figure computations. In connection with this the government has decided to present to the Icelandic Economic Institute the proposal to calculate the index figures for the cost of living on a monthly basis for the time being, at least until the beginning of next year.

It is stated in the economics projects that the uncertain price projections that have been made in terms of the measures enacted in May show a great reduction in the rate of inflation for the last months of the year. By year's end the inflation rate could be down to 30 percent for the whole year. It has been estimated that without the anti-inflation measures of the government, other things being unchanged, inflation would have been 140 percent.

It emerged that it was assumed in the projections that the purchasing power of the disposable income of households will decrease less than the purchasing power of wages, or by around 14 percent, whereas an 18 percent decline in the purchasing power of wages was foreseen. This is considered to be 6 percent more than would have been the case without the government measures.

The representatives of the labor movement made clear at the meeting that they were always ready for discussions. On the other hand, they made the demand that, under present conditions, the provisional budget should be the first order of business so that they could recover their bargaining rights, which they consider to have been taken from them. It was decided to discuss the matter further together, but in a smaller meeting than that held.

9857

CSO: 3626/45

## GOVERNMENT ECONOMIC ADVISOR DISCUSSES ECONOMIC POLICIES

Reykjavik MORGUNBLADID in Icelandic 30 Jun 83 p 33

[Article: "The Entire Economy Is in Great Danger"]

[Text] Thordur Fridjonsson, government economic advisor delivered a report a few days ago at a meeting of the Icelandic Trade Council Administration on the government's economic measures and their impact. It emerged from his report that the goal of the economic measures is threefold: establishing a position to overcome the paralysis in Icelandic economic life, arriving at a balance and a position of strength in the Icelandic economy and building up employment.

To achieve these aims, it has been necessary to carry out the economic measures now being put into effect. On their influence, Fridjonsson said that it is assumed that the average inflation rate for the years 1982 and 1983 will be 104 percent. The inflation rate from the beginning until the end of the year will be 83 percent, and the inflation rate at year's end around 30 percent.

Without the government's economic measures it is projected that the average inflation rate for the years 1982 and 1983 would have been 90 percent and inflation from the beginning of the year to the end 134 percent. The main difference is that the measures have prevented the inflation rate from being well over 100 percent by year's end and thereby putting the entire Icelandic economy in great danger.

Fridjonsson said also that there had been too much misunderstanding about the influence of the economic measures on purchasing power. The purchasing power of wages, and other things remaining unchanged, would have deteriorated by at least 10 to 11 percent on the average between the years 1982 and 1983. The influence of the government measures, on the other hand, will be that the purchasing power decline will be around 14 percent, only 3 percent more than without the economic measures, and that is without considering either the influence that runaway inflation has on employment and therewith on income or the long-term impact of uncontrolled price evolutions on living standards.

9857

CSO: 3626/44

## COOPERATIVE LEADER, COLUMNIST ON DROP IN PURCHASING POWER

Reykjavik MORGUNBLADID in Icelandic 6 Jul 83 p 7

[Commentary by 'Staksteinar': "Purchasing Power Collapse with Previous Government"]

[Excerpts] "The last government failed to get a grip on inflation....Efforts were made to maintain the purchasing power of wages in any way possible, among other things, through foreign-debt accumulation. But in the end the government had to cut agreed-upon purchasing power. Under such conditions the problem got worse and worse and in the last months of the government the purchasing power of wages collapsed due to a declining catch and marketing difficulties. When the government left power at the end of May the purchasing power of wages had tumbled around 20 percent from the average for 1982. It was under these circumstances that the present government took power and its acts should be so judged."

Arni Benediktsson in an article in TIMANIR of 22 June.

## Svavar Gestsson's Delay

Arni Benediktsson, one of the leaders of the Association of Icelandic Cooperatives, notes in an article in TIMANIR that the purchasing power of wages tumbled by 20 percent during the last months of the former government in comparison with the average purchasing power for 1982. The article says: "Everyone realizes now that the assumption that, with things remaining unchanged, a 1 June increase of wages by 22 percent would have changed the situation was incorrect. It was not true, things would not have changed. Everyone was in agreement that such a wage increase would accomplish nothing since it would have been eaten up in a short time by foreign-exchange drops and price increases, so that no one would come out any better in the end. In addition, there was the proposal of Svavar Gestsson to delay the 1 June wage increase for a month to allow time to form a new government and find new ways. What new ways? New ways so as to be able to pay this wage increase of 22 percent that was not called for and could not have been supported by the economic life of the people."

"Now, as before, it is not possible to begin a real battle with inflation, a battle for better living conditions, without first taking a step backwards. It is, to be sure, difficult to have cut living standards still more when the living standards cut has already been 20 percent. But this was absolutely unavoidable if efforts were to be made to lay down a basis for a new attempt on inflation. In addition, living standards would have worsened continually anyway if nothing was done. If the delay of Svavar Gestsson had gone into effect, there would have been, for example, an additional 2 percent wage cut before the 20 percent and the total wage cut would have been much more when control was at least achieved."

#### Too Much Fishing--Too Little Patience

Bjorn Dagbjartsson recently wrote an article in ISLENDING with the title: "They Have Forgotten about the Ships." It is stated there, among other things:

"Efforts were made to raise up an outcry in 1981 to the effect that the fishing fleet was larger than necessary and too capacious to utilize the fishing banks fully and that the age differences of the ships said nothing about their catch proficiency or the competency of their crews. Figures published in VISI on 24 April 1981 showed that the most capacious boats were old hulls. Efforts were also made to show that most or all of the new fishing ships were operated at a loss. But it wasn't so. During the 12-month period 1980 to 1981, decisions were made or keels laid down for nearly 20 new fishing ships. It was likewise called a renewal when 10-year-old British trawlers were imported. It is perhaps natural that people will wish to forget about those decisions now, but they were nonetheless made during that time and cannot be taken back.

"Most realize that it is sensible for us to have an efficient shipbuilding industry capable at least of maintaining fishing ships and carrying out overhauls on them, to the degree required, and likewise capable of working on all state-operated ships such as harbor vessels, coastal ships, coast guard ships, light ships and research vessels. It is entirely impossible to have state ships built abroad and be constrained at the same time to support Icelandic shipbuilding with Ministry of Fisheries funds. People, on the other hand, will not forget about state ships that are built abroad."

9857

CSO: 3626/44

## BRIEFS

UNEMPLOYMENT HAS DOUBLED IN YEAR--There were 19,911 registered days of unemployment in all of Iceland in June. That was equivalent to 919 persons who were registered unemployed for the entire months, or 0.8 percent of the labor force during June, according to the estimates of the Economic Institute. These figures are from the monthly report of the Ministry of Health and Social Security on employment. Registered days of unemployment have thus increased by 1,636 over the previous month. In May there were 18,275 registered days of unemployment in all of Iceland. In June of last year there were 9,936 registered days of unemployment, or around 10,000 days fewer. The increase in unemployment between the years is more than 100 percent. The average registered days on unemployment in June during the period 1975 to 1982, with both 1975 and 1982 included, was 6,700 days or about 33.5 percent of the days of unemployment registered now. During the first 6 months of the year a total of 177,266 days of unemployment were registered in Iceland, or equivalent to less than 30,000 days a month. That is the equivalent of 1,400 persons registered unemployed for the period in question, or around 1.2 percent of the estimated labor force. By comparison, it may be mentioned that less than 200,000 days of unemployment were registered for all of 1982, equivalent to 770 persons or 0.7 percent of the labor force for that year. [Text] [Reykjavik MORGUNBLADID in Icelandic 9 Jul 83 p 40] 9857

DROP IN CAR IMPORTS--Car imports fell by 46.7 percent during the first 5 months of the year. Imported were a total of 2,821 vehicles compared with a total of 5,289 vehicles during the same period last year. Imported during the first 5 months of the year were 9 buses, compared with 17 during the same period last year. A total of 70 station wagons were imported compared with 209 during the same period last year. A total of 2,016 passenger cars were imported during the period in question compared with 3,966 during the same period last year. In this category, the drop was 49 percent between the years. During the first 5 months of the year a total of 346 4-wheel-drive vehicles were imported compared with 398 during the same period last year. Some 255 delivery vehicles were imported compared with 478 last year during the same period. Some 70 trucks were imported compared with 160 last year. Finally, 55 of other kinds of vehicles were imported compared with 61 of other kinds of vehicles during the same period last year. [Text] [Reykjavik MORGUNBLADID in Icelandic 9 Jul 83 p 2] 9857

IMPORT OF TELEVISIONS HALVED--Imports have fallen considerably this year, as MORGUNBLADID has shown. Figures are not available for the first 5 months of the year and it emerges that the decline is continuing unchanged. As an example of the import decline, it may be mentioned that, during the first 5 months of the year, a total of 1,241 television sets were imported, compared with 2,710 sets during the same period last year. The fall between the years was around 54.2 percent. During the first 5 months of the year a total of 1,728 washing machines was imported, compared with 2,643 during the same period last year. The decline between the years was thus around 35 percent. It may also be mentioned that a total of 1,654 pieces of refrigeration and freezing equipment was imported during the first 5 months of the year, compared with 3,131 during the same period last year. The decline between the years was around 47 percent. [Text] [Reykjavik MORGUNBLADID in Icelandic 10 Jul 83 p 2] 9857

RISE IN GOVERNMENT EXPENDITURES--Treasury expenditures grew by 22 percent in fixed values during the period 1977 to 1982 according to figures released by the Icelandic Trade Council. The index figure for expenditures was set at 100 during 1977 and was at 122 points last year. Treasury expenditures were 7,782 million kronas in 1977, calculated in 1982 values. Expenditures then grew during 1978 and 1979 and were around 8,998 million kronas in 1979. Then they fell to 8,633 million kronas in 1980 but subsequently grew steadily and reached around 9,500 million kronas last year. If expenditures are given in the values of each year, then total expenditures were around 1,028 million kronas in 1977, but around 9,500 million kronas last year. Expenditures have thus grown by 824 percent in krona values. [Text] [Reykjavik MORGUNBLADID in Icelandic 10 Jul 83 p 53] 9857

CSO: 3626/45

## CGTP, UGT ATTITUDES VIS-A-VIS GOVERNMENT POLICIES

Lisbon DIARIO DE NOTICIAS in Portuguese 5 Jul 83 p 3

[Text] The CGTP-IN [General Federation of Portuguese Workers-National Inter-sindical] proposed to the government that back wages be paid from the unemployment fund. This demand is part of a 13-point memorandum given to the prime minister during a meeting yesterday in Sao Bento. This meeting came on the heels of another with the UGT [General Union of Workers] which forms part of the program of bilateral contacts the executive is having with the "social partners". This is to continue today with meetings with the CCP, CAP [Portuguese Farmers Association] and the CIP [Portuguese Industry Confederation].

A CGTP delegation made up of Teixeira da Silva, Jose Luis Judas and Kalidas Barreto met for about an hour and one half with Mario Soares, Mota Pinto, Ernani Lopes and Amandio de Azevedo. The CGTP delegation presented to the government "a group of more immediate and urgent problems that gravely affect the life of the workers."

That labor federation proposed a payment be made during the first half of this month equal to one-fourth of the back wages which totals about 500,000 contos. "However, each worker would be entitled to an amount that is at least equal to one month's wages."

According to Teixeira da Silva, the reason the CGTP took that group of proposals to Sao Bento was because it wanted to discuss concrete problems.

"We are open to discussions and this is the reason we brought concrete problems that require political will to resolve," he said.

The labor leader said the CGTP protested against the policies the government is advancing. He thinks the executive "got off to a wrong start because it has adopted measures that substantially worsen the workers' standard of living."

As for the prime minister's statements on what the government plans to do in the future, Teixeira da Silva said, "Declarations of good intentions have been made for a long time with nothing coming out of them that would result in improving the workers' standard of living."

"If this government does not change policies, it will have the same fate as the others," he said and underscored that "the workers do not fight for the sake of fighting."

#### UGT Open to Dialogue

In his turn, Torres Couto, who headed a UGT delegation which had been received by the prime minister earlier, said the "period of austerity" that is required "will have to revert on behalf of the most disadvantaged."

This austerity must be complemented by development and social justice and it cannot benefit in the least privileged minorities, management or employers who do not respect the rules of the game and do not have a stake in democracy," underscored Torres Couto.

The UGT secretary general said the labor federation did not go to Sao Bento to ask for any "social pact."

"If compromises that achieve a pact of this type are reached, so much the better, but we are not its prisoners," he said. He pointed out that "dialogue and open government" are fundamental. It is also fundamental to have these sacrifices turn in favor of the reorganization of the productive system, development and social justice."

Torres Couto announced that another meeting will be held next week with the finance minister (who will also meet with the CGTP) to discuss problems in the nationalized industries.

9935

CSO: 3542/164

## SPREADING TAX EVASION NOTED, FISCAL REFORM SEEN NEEDED

Lisbon DIARIO DE NOTICIAS in Portuguese 6 Jul 83 p 2

[Editorial]

[Text] Successive governments have tried everything, from campaigns to raise public awareness to applying strict repressive measures, with enticing periods of respite or generous acts of clemency in between, to make the Portuguese comply with their tax obligations. Despite this, the treasury-tax payer "war" remains open and heated (as it is customary to say) "with no winner or loser". It is true that the taxes collected by the state have increased, but the amounts that have escaped taxation have gone up by about the same proportion.

It is estimated that something in the order of 200 million contos (it should be recalled that the forecast of last year's budget deficit was only 150 million) escape the tax man annually. According to the CGTP-IN [General Federation of Portuguese Workers-National Intersindical], in 1981, 160 million contos in just capital and property earnings reportedly eluded the tax net and the state lost 32 million. Furthermore, fraud and evasion exist, in a sophisticated or coarse manner, in all areas, in both direct and indirect taxes.

The approximately 2 million lawsuits now in the courts (the majority of these brought to court for failure to pay radio-television taxes) for failure to pay pay taxes do not really impress anyone. A certain image of "sympathy" and impunity, which was created long ago in Portugal, surrounds tax evasion. This image is not at all in accord with the judicial image established by law. There is, on one hand, an obsolete tax system which creates grave distortions, and on the other hand, there is the traditional judicial slowness. In addition, the tax burden is seen to be unjust by low income Portuguese because it falls heavily on salaries and wages.

Tax evasion is no higher in Portugal than in other countries. The tax burden is also not the heaviest when compared with other European countries. In 1980, it was reportedly around 30 percent of national income compared with, for example, 40 percent for Denmark or 50 percent for the Federal Republic of German. These figures have different meanings, however. They cannot imply conclusions that are favorable to us because the social benefits expected by

the citizens of those countries are not comparable to those offered by the state to the Portuguese.

The generalized tax evasion we have witnessed during the last years, which everyone censures only through lip service, is thus "justified" for two "reasons": (1) because the rates of some taxes are too high and (2) because there is increasing distrust regarding the state's effective use of the taxes it collects. Now, if the modernization of the system--the establishment of the much talked of single tax--implies the resolution of delicate technical problems, which will require time, the same cannot be said of adopting correct fiscal and budget policies. Finally, here is the great dilemma: should the tax collector be viewed as the declared enemy of the citizen? Should the taxpayer be treated as a permanent debtor or an unexhaustible source of revenue? If there is a reform of mentalities then it is also equally necessary and urgent to have the tax system reformed.

9935

CS0: 3542/164

## BRIEFS

SECTORS OPENED TO PRIVATE INDUSTRY--The proposal to alter law 46/77 was finally voted on and approved in a final "parliamentary marathon" that lasted several hours. The proposal had gone through three exhaustive debates since it was presented to the Assembly of the Republic by the government. It opens up the banking, insurance, cement and fertilizer sectors to public initiative. The majority parties, the PS [Socialist Party] and the PSD [Social Democratic Party], and the CDS [Social Democratic Center Party] and ASDI voted in favor of the measure while the PCP [Portuguese Communist Party], MDP [Portuguese Democratic Movement], UEDS and the "green" deputy voted against it, (149 in favor, 44 against). [Excerpt] [Lisbon DIARIO DE NOTICIAS in Portuguese 6 Jul 83 p 1]

BALANCE OF TRADE DEFICIT--The Portuguese trade balance deficit worsened last year by 65.018 million contos. It went from 352.053 million to 417.071 million contos between 1981 and 1982. Portugal exported 5.05 million tons of goods (worth 331.93 million contos) in 1982. This represents an increase of 123,000 tons and 75.017 million contos over 1981. For their part, imports reached 20.987 million tons (equal to 749.001 [million contos]), 1.709 million tons (and 140.035 million contos) more than in 1981. The ratio at which exports covered imports improved. It went from 42.2 to 44.3 percent between 1981 and 1982. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 4 Jul 83 p 13]

9935

CSO: 3542/164

## ECONOMIC PITFALLS DARKEN HOPE FOR RECOVERY

Madrid EL ALCAZAR in Spanish 1 Jul 83 pp 16-17;

[Text] Miguel Boyer, the minister of economics and finance, says there is a need to reduce the level of internal demand and public spending. He has also announced a toughening of monetary policy in case our exports do not recover. During his appearance before the Senate Committee on Economic Affairs the minister pointed out that "the situation does not permit us to count on maintaining a rate of economic growth of 2 percent, as has been the case over the past 6 months, if external demand does not develop in a favorable way."

"The Spanish economy," he added, "reflects such a low level of productivity that it is on the point of stagnating due to the smallness of the external stimulus that it is receiving."

He announced that on 20 September he will send to the Cortes the draft budget for 1984, which provides a medium term picture, since, until the Economic and Social Council is established, no economic plan can be developed.

Answering questions from the senators after his presentation, Boyer announced that the effective date of the IVA [Value Added Tax] would be 1 January 1985.

He considered that fiscal pressure has stagnated as an instrument of policy over the last few months and that "there is no alternative now but to see the budget increase."

He called a reduction in the deficit in the balance of payments on current account vital to the economy. He said that in May the deficit was about \$2,691,000,000 and that it was expected to reach \$2.7 billion by the end of the year.

Boyer said that the economic situation was due to the fall in external demand, which he considered anomalous, due to the 30 percent devaluation of the peseta in terms of the dollar, and to the increase in internal demand, stimulated by the salary increases that took place at the end of September 1982.

He said: "I won't give money to publicly-owned companies which don't demonstrate their economic viability in the future." He said that he has asked for a report on the status of each one of the 25 publicly-owned companies with the greatest deficits. He will raise the reports with the cabinet.

Regarding rates of interest, he indicated that these cannot be reduced as long as interest rates are maintained at a high level in the United States, unless we accepted the risk of provoking capital flight.

In response to questions on a possible increase in the price of petroleum products he said that such an increase is not being studied as an imminent development and that this will not depend entirely on an appreciation of the dollar but also could be affected by lower consumption of energy, which has increased over the last few months, however.

He stated: "If consumption is significantly reduced, the price of gasoline will not have to go up."

He considered questionable the decision in favor of restitution of the IRPF on unemployment benefits and pointed out that "the fact that part of the income of a Spaniard would not be included in the calculation of income tax would be contrary to the principle of equity."

Jose Ramon Alvarez Rendueles, governor of the Bank of Spain, appeared yesterday morning [30 June] before the Committee on Economic and Financial Affairs of the Congress of Deputies to discuss the development of monetary policy in the first half of the year.

In his testimony Alvarez Rendueles stated that major reductions in unemployment cannot be expected. Then he insisted that during the first half of 1983 there has been a notable deceleration in the rate of growth of the money supply. He said: "The rate of increase during the first 6 months of the year was about 12 percent in annual terms, after having recorded a rate of increase during the previous year of 16 percent."

Alvarez Rendueles underlined the basic differences which have developed in the various components of the money supply and said that money in the hands of the public has grown at an annual rate of 21 percent. He added that the issuance of coins and paper currency has been maintained at the same rate since the elections of October 1982.

Later on the governor of the Bank of Spain stated that the fall in the rate of increase of cash instruments was due to the introduction of other, highly liquid forms of assets, such as Treasury Notes and to the behavior of the Bank of Spain, which has adjusted its control policies to changes in the demand for money.

Regarding domestic credit, he stated that the financing provided by the credit system to the government grew substantially in the first 4 months of 1983, reaching a rate of close to 50 percent. Financing provided to the private sector, however, increased at a much more modest rate, close to 9 percent. Total financing provided to the domestic sectors of the economy grew at a rate of 15 percent.

Alvarez Rendueles said: "In the first 4 months of 1983, due to the strength of the dollar and other elements, imbalances have been generated in the peseta exchange markets, which led to a loss of \$1,348,000,000 in our reserves."

## GOVERNMENT 'MANEUVERS' AGAINST CEOE CONDEMNED

Madrid ABC in Spanish 12 Jul 83 p 11

[Commentary: "Attack on the Managerial Class"]

[Text] Something more than a trial balloon? Possibly. Although it would not be the first of those. It is now reported, from the appropriate platform, that the leadership of the Socialist Workers' Party of Spain [PSOE] will consider possible withdrawal from the public companies and from the National Institute of Industry of the Spanish Confederation of Business Organizations [CEOE]. We stress that it is something more than just a trial balloon. When the managerial class decides in politically operative terms to oppose particular government actions--especially and closer to home with regard to the 40-hour decree, with something that upsets the very precarious balance of the Interconfederal Agreement--the government, through its party, is threatening the management class with its feint. That, together with the proposal for an institutional and juridical framework that differentiates between small and medium-size business, defines the government party's strategies to weaken the business management world structurally and functionally.

It is a key that is repeated. As long as a society offers resistance or shows differences of opinion, the temptation wins out among the Left to use that same pressure, economically and socially, that is reigning in congress and in the management of the local corporations.

But for obvious reasons--the political-parliamentary majority does not speak for the social majorities--the proposal to merge is translated into a strategy to divide, fragment, quarter. Thus, they seek the formation of a group of medical professionals who can accept the decriminalization of abortion, and of other dissident professionals from the ranks of those who oppose or criticize the government's initiatives; or they try, in the case of businessmen, to weaken their representation by the double course we have noted, that of depriving the CEOE of essentially half of their resources, and of structuring small- and medium-size business as realities that are qualitatively different from big business. With regard to this agreement, we should also note that it springs from the PSOE based on a basic misunderstanding: the belief that the North American economic power derives from an illegitimate symbiosis between its large multinational companies and the political power of Washington. When the truth is that the actual symbiosis in the United States is between the large companies and the small- and medium-size ones, which make up the fabric of the most powerful economy in the world.

In these maneuvers to silence the CEOE, there are not only political motives of the moment, the urge to smooth out difficulties, but rather they testify to proposals that clash with the proclaimed socialist respect for the market economy and the entire system of freedoms. The actions intended to unseat managerial representation expose a new utopianism: decentralized totalitarianism.

8587

CSO: 3548/465

## BUSINESS FORECASTING INSTITUTE SEES SIX PERCENT INFLATION

Stockholm DAGENS NYHETER in Swedish 19 Jul 83 p 7

[Article by Anders Nordstrom]

[Text] The government will not succeed in achieving its goal of bringing inflation down to only 4 percent next year.

That is the prediction made by the government's own body for making economic assessments, the Market Institute, in an unpublished forecast on inflation in 1984.

According to the Market Institute, inflation next year will be at a rate of 6 percent.

Since the rate of price increases this year is much higher, this would lead to the average price level in 1984 being 6.9 percent higher than in 1983.

The Market Institute's forecast was prepared as late as the middle of June and therefore it included in its calculations the fact that inflation this year will be lower than anticipated at the beginning of the year.

## Cautious Forecast

The Market Institute's forecast is also very cautious on several points. Inflation could very well be higher than the 6 percent now predicted.

For example, the Market Institute estimates that the rate of the dollar will lie around 7.40 kronor next year. But today the rate of the dollar is up to 7.72 kronor. A high exchange rate for the dollar has a tendency to fuel the inflation rate in Sweden.

The Market Institute's forecast is also based on an assumption that rental housing costs will rise by 8 percent. That figure could well be higher, which would drive up inflation.

The forecast also assumes that wage increases next year will be substantially lower than the 11 percent LO [Swedish Federation of Trade Unions] said it will demand in the upcoming contract negotiations.

Of course the government has several ways in which it can affect the inflation rate through political decisions.

One way would be to reduce the value-added tax or other indirect taxes. This is an old VPK [Left Party-Communists] demand, so there would hardly be any problem getting parliament to approve this kind of decision.

But such a step would also reduce state revenues. In view of the importance Finance Minister Kjell Olof Feldt places on the state budget deficit, and the need to reduce it, it is very unlikely that the government will choose to reduce the value-added tax in an effort to keep inflation down.

Another way the government could check inflation is to lower Swedish interest rates. It is estimated that lowering the interest rate by a percentage point would lead to inflation being 0.5 percent lower.

But in reality the government's possibilities of lowering interest rates are very limited. Swedish interest rates must keep pace with foreign rates to keep capital from leaving Sweden and depleting currency reserves.

At the moment, the trend in the United States is more toward a rise in interest rates. If that trend continues, Sweden and the rest of Europe will gradually be forced to follow suit, which would increase the inflation rate instead.

A more dramatic possibility for the government, of course, would be to introduce some form of price and wage freeze. But that would lead the government on a course of direct confrontation with the union movement.

Finally, the government could revalue the Swedish kronan, in other words, appreciate the value of the kronan in relation to the currencies of other countries.

#### Aimed Too High

This would keep international price increases from affecting Swedish prices as much.

But at the same time Swedish firms would have a harder time selling their products on the export market, which goes contrary to the government's goal of putting the export industries in the breach in order to lead Sweden out of the crisis.

Thus if the Market Institute's forecast proves accurate, there is much to suggest that the Swedish government aimed too high when it decided to bring inflation down to 4 percent next year.

DAGENS NYHETER tried repeatedly to get hold of Finance Minister Kjell Olof Feldt on Monday. But he was too busy to find time to make any comments on the Market Institute's inflation forecast.

## LEVESQUE INTERVIEWED ON FRENCH RELATIONS, FUTURE OF PQ

Paris LIBERATION in French 25-26 Jun 83 p 20

[Interview with Rene Levesque, prime minister of Quebec, in Montreal, by correspondent Alain Gerbier: "Rene Levesque: 'In Quebec, We Are Being Kept Inactive'"; date of interview not given]

[Text] The Quebec Prime Minister, Who Arrives on Monday for an Official Visit to Paris, Explains What He Expects from France

[Question] Are there any concrete details which enable you to assert that the socialist government of Francois Mitterrand has not relegated the Quebec question to the category of folklore?

[Answer] Well, listen, concrete details... yes, because with the socialists, some personal contacts have been established now for quite a few years, particularly with certain party leaders ... and Mr Mauroy's visit to Quebec last year was very cordial ... I am no mind reader but I did not get the impression that things have changed much since Mitterrand's rise to power.

[Question] What do you still expect from France in the area of self-determination for Quebec?

[Answer] That it understand Quebec's evolution, that it not deny it. And, when the French-speaking people of Quebec make a democratic decision, that France recognize it.

[Question] You have taken note of self-determination; the independence of Principe (the former Portuguese colony) and Algeria. Do you think that, even with these examples, the people of Quebec are ready to make sacrifices to gain sovereignty?

[Answer] Sacrifices? It is under the present (federal) system that we are making sacrifices and that we are paying in terms of development. Even if it is not hell, it is a regime under which--like under a sort of yoke--we are being held still.

[Question] Do you currently tie Quebec's future to your own?

[Answer] Oh no. Each one has his role to play. For me, it is in the area of politics where I can be useful. But I have never had any illusions and I will quote you the old cliché: "The cemeteries are filled with irreplaceable people."

[Question] Have you already given thought to what will come after you?

[Answer] I think about it frequently. When I look around me, I see that it is a sure thing, even too sure. So there will probably be some interesting fraternal rivalries the day I decide, or the day nature decides, that someone else should take my place ... or that I have put my time in.

[Question] You said several years ago that you would like to finish your career as ambassador to Washington. Is that still in your plans?

[Answer] Yes, I know the Americans very well. I wore their uniform in one war, and ate their rations in another, the Korean war. Then there are simple reasons--liking the seashore, water a bit warmer than we have at our latitude, or because I have spent a great deal of time in the U.S. on vacation and as a journalist. I know the Americans as if I were ... one of the family. Once Quebec is independent, the job in which I would feel most useful would be that of ambassador to Washington. The climate there is rotten but it is a fascinating city.

[Question] When do you plan to apply for the position?

[Answer] I have never wanted to make too specific a prediction. The next elections might be a good date. At the same time I know that if by the year 2000 we are not independent, my chances will diminish for demographic, social and economic reasons.

[Question] You have just announced that the next elections will deal with the question of Quebec's independence. Do you regret having adopted a prudent attitude, let us say, over the last 7 years?

[Answer] No, I think it was the right approach. The former minister of intergovernmental affairs, Claude Morin, who is still one of our fellow workers, had a very apt way of putting it: "Even if you pull on it, a flower will not grow any faster," he used to say, and I think it is legitimate to begin with a referendum. That is what was done in May 1980 and you know how that turned out (50-50 within French-speaking Quebec). We could not start over again in 1981. We did not hide our light under a bushel; they stayed on the agenda but we talked mainly of other things during the 1981 electoral campaign. By the next elections, 5 years will have passed since the referendum and then I think that the development, as well as a certain urgency tied to the circumstances I referred to a moment ago, mean that we should move full steam ahead again.

## DANISH FOREIGN POLICY EXPERTS EXAMINE FUTURE OF EC TIES

Bonn EUROPA ARCHIV in German 10 Jul 83 pp 399-406

[Article by Prof Ove Johansen and Carsten Lehman Sorensen, Institute for Political Science, University of Aarhus, Denmark: "Greenland's Withdrawal from the European Community"]

[Text] When in 1953 Greenland was integrated into the Kingdom of Denmark, its history as a Danish colony came to an end. Its new status lasted almost 26 years; in 1979 Greenland became independent, a status of which it makes use for the major part of its internal affairs.<sup>1</sup>

For its economy Greenland depends mainly on fishing and fish processing. Fishing is by far the most important trade, from the standpoint of exports as well as for employment.

There is general agreement in Greenland that considerable investments will be required for enhancing the capacity of the fishing industry and that this need for capital will occur at a period when a number of other expensive investment programs are in urgent need of implementation. This investment need has in the past been partly satisfied by grants and credits from the European Community. During the period 1973-1982, for instance, Greenland obtained grants amounting to 680 million Danish kroner from the general treasury and 330 million kroner in loans from the European Investment Bank. These funds, which amount to about 10 percent of annual contributions from the Danish national budget, were used to finance infrastructure projects and training programs. Nevertheless, Greenland is prepared, if need be, to do without EC financing and to settle for a slower pace of development--a self-denial of economic support which can be explained only in terms of political factors.

#### Self-Government and EC Membership

When in 1973 the Kingdom of Denmark became an EC member, Greenland, then an integral part of the state, was automatically included in that membership. In a plebiscite conducted beforehand, the Danish population had voted in favor of joining by nearly a two-thirds majority.

The picture was somewhat different in Greenland, however: 70.3 percent voted against joining and thus placed renewed emphasis on their demand for autonomy. This was a reflection also of the effects of the process of modernization which had been taking place in Greenland since 1950 and which led to a heavy concentration of the population in the cities on the west coast, which now numbers 50,000. This urbanization entailed alienation and a loss of ethnic identity.

In some segments of the Greenlandic elite which had been educated in Denmark, these changes brought about a new political consciousness and a desire to assume more responsibility for their own future. These ambitions should not be confused with nationalist tendencies which call for secession from Denmark. There was general agreement on the fact that within the foreseeable future Greenland would not be able to manage without subsidies granted by Denmark; but in the interest of its self-respect the people of Greenland had to show some initiative toward determining their own future.

The law drafted by a joint Danish-Greenlandic commission concerning autonomy contains no provisions dealing specifically with Greenland's EC membership status; but the Danish government has declared that it would raise no objection to Greenland's announced desire of withdrawing from the EC.

#### The 23 February 1982 Referendum in Greenland

During the 1972-1979 period a party system developed in Greenland. The two major parties, Siumut and Atassut, were in disagreement on the question of continued EC membership. In the 1979 elections the Siumut party won a majority in the parliament, the Landsting, and thus won the leadership position in the regional executive body, the Landsstyre.<sup>2</sup>

During the negotiations preceding Danish membership in the EC, certain provisions were made concerning Greenland. Some of these provisions were understood to be of a permanent nature; others were to be reexamined after an initial period of 10 years. In the fall of 1980 the Siumut placed the EC question at the top of its political program and the parties quickly formulated their respective positions. In the spring of 1981 all parties agreed that the population of Greenland was now able to make a decision concerning its membership in the EC through a referendum.<sup>3</sup>

This resulted in a long, expensive and, contrary to previous Greenland custom, bitter election campaign. Election campaign leaflets reflected anger and disappointment. Examples were given of infractions of fishing permits within the 200-mile Greenland economic zone, which is now a part of the common fishing grounds of the EC—mostly by German fishermen.

Siumut and two smaller parties, the trade unions and the fishermen's association, emphasized that the only thing that would make sense would be for Greenland to withdraw from the EC after obtaining its autonomy. In its self-governing status, they indicated, Greenland had become less dependent upon decisions made by the Danish central authorities and had come closer to the point where it could "determine its own future." If Greenland were

to be bound by rules issued by EC authorities--authorities which had demonstrated practically no understanding for the Greenlandic way of life--then it would remain a part of a system which could threaten its political and cultural identity. Siumut was primarily interested in retrieving responsibility for regulating fishing activities from the supranational EC authorities and transferring them back to Greenlandic authorities; in other words, that this resource management be exercised by Greenland, which depends on those resources for building its future.

The Atassut party was just as concerned about Greenland's identity. But it believed firmly that the violation of Greenland fishing grounds could be avoided through negotiations with the EC; it was convinced also that the European partners could be dissuaded from urging the exploitation of uranium deposits. The biggest worry of the pro-EC politicians was how Greenland would finance its modernization projects without EC subsidies. In Atassut's view, modernization constitutes Greenland's only chance of continuing to exist as an autonomous ethnic unit in close cooperation with the Western industrialized countries.

The results of the referendum indicated almost equal strength for both sides. With a voter turnout of 74.9 percent (compared with 57.5 percent in 1972), the majority of 12,615 votes against 11,180 was in favor of withdrawing from the European Community.<sup>4</sup> Both parties, Atassut and Siumut, claim to have won the plebiscite. There has been much discussion about reasons for the difference in results obtained by the 1972 plebiscite. We wish to cite two hypotheses here.

Greenland's voters are conservative and tend to vote for things they know something about. To vote for EC membership in 1972 appeared to be daring, with uncertain results. Voter turnout was therefore small and the majority of those who did vote were against joining. It appears that in 1982 many Greenlanders were not clear in their own minds what the economic consequences of withdrawing from the EC would be. No one in authority had promised that the EC would grant Greenland the status of an overseas territory, and the Danish government had left no doubt that no Danish state funds could be expected to make up for the loss of EC subsidies.

Since 1972 the political makeup of Greenland has undergone considerable changes. Where in the past an individual could significantly influence the way the voting would go, there is now an established party system and a certain amount of identification with a party platform. A voter's decision to vote for a party is always determined by the party platform to a certain extent; but in the case of Greenland such a platform certainly consists of more than its attitude toward the EC question. Election results since 1979 have shown that the voters' favors are almost evenly split between Siumut and Atassut--with a growing trend toward Atassut.

#### Faeror Status as an Alternative to EC Membership

By being a member of the EC, Greenland had been occupying a special status in the North Atlantic area. As members of EFTA [European Free Trade Association]

since 1973, Norway and Iceland had free trade agreements with the EC. One year later, the Faeroe Islands obtained a similar agreement and in 1976 an economic cooperation agreement was signed between the EC and Canada. In 1957 the French islands off Newfoundland, Saint Pierre and Miquelon, were declared overseas territories in accordance with the definition specified in the Treaty of Rome. France later incorporated the islands by unilateral decree into its national territory as overseas departments.

Listing these various relationships can also serve as a list of possible alternatives for Greenland. In this context, the relations of the North Atlantic islands to the EC are of particular relevance. This is true for the Faeroes and for Iceland, which derive almost 95 percent of their export revenues from the sale of fish and fishery products. It is true also of Saint Pierre and Miquelon because of their original overseas territory status.

In 1974 the Faeroes were granted an arrangement which is almost identical with the free trade agreement of the northern states: duty-free export of manufactured products into the EC and customs duties of only 3-4 percent for most fishery products. In return, the Faeroes have reduced their import duties for certain fruit and vegetable imports from the EC countries.<sup>5</sup>

While Iceland and the Faeroes have practically equal status as far as their access to the Common Market for their fish exports is concerned, their fishery policies are almost entirely opposite. The introduction of the 200-mile limit constituted a serious threat to the income of the Faeroe fishermen who traditionally have been fishing in distant Greenland waters, the North Sea and the Skagerrak. In contrast to the Icelanders, they had no choice but to agree to an exchange of fishing rights. In 1977 Faeroe/Denmark signed a basic agreement with the EC, and since then there have been annual negotiations between the EC and non-member countries such as Norway.

Iceland demands exclusive fishing rights in its own 200-mile zone and refuses to negotiate a mutual fishing treaty with the EC. Iceland gives as the reason for this policy of "splendid isolation" the fact that restrictions on the catch are necessary to preserve the existence of fish resources. As long as only Icelandic fishermen have fishing rights in the zone, they say, there is no danger of overfishing.

Greenland's fishermen are faced with a similar situation in their zone; but it is not likely that Greenland will follow Iceland's example and conduct a policy of isolation, which resulted in traumatic experiences for Iceland in the "fishing war" of the early 1970s and unilateral support to Great Britain by the EC. However, German trawlers from Bremerhaven have contributed much to the fact that the latent skepticism as to the advantages of a fishing treaty with the EC has become widespread among Greenlanders. In 1980 two German trawlers were caught fishing illegally and their captains were sentenced to monetary fines by the court of Nuuk.

## Greenland's Ambition: Overseas Territory Status

One year prior to the EC referendum in Greenland the Danish government requested the Landsstyre to decide whether it wanted Faeroe status or overseas territory status. In August 1981 it became known that the Landsstyre would decide for an association status similar to the one which had been granted to the British, French and Netherlands overseas territories because this would be more advantageous than Faeroe status with respect to trade and the availability of capital.

This special association arrangement derives from the request for special relationships for overseas states and areas which the French government had made during the negotiations incident to the Treaty of Rome. In Section Four of the treaty there was provision for special ties to the planned Common Market of the Six by the then colonies of EC countries; in addition, a development fund was created. During the 1960's, when one colony after another became independent, they decided to maintain their association with the Common Market. This was done through the so-called Jaunde Conventions of 1963 and 1969.

During the entry negotiations between Great Britain and the Community it was agreed that the former British colonies in Africa, the Caribbean and the Pacific area should also be offered some kind of association with the expanded EC. The Lome Convention was signed in 1975 with 46 Atlantic, Carribbean and Pacific countries; since then, the number of such states has increased to 63 after various additional overseas territories became independent. There are 17 overseas territories left, including the Netherlands Antilles, French Polynesia, the Falkland Islands and Brunei.<sup>6</sup>

Fish imports from non-member nations are taxed by the EC at 20 percent, unless some other type of agreement with the EC is in force. Should Greenland decide to become a non-member country, which would only require a simple majority vote in the Danish Folketing, there could be severe economic consequences.

Overseas territory status for Greenland would mean duty-free access to the Common Market for its fish and fish-product exports. In general, EC countries have mutual free access to the markets concerned in overseas territories, but certain special arrangements can be made for the protection of newly developing industries, development projects and similar enterprises. In other words, overseas territory status contains a certain amount of economic integration into the Common Market. In return for acceptance of this principle of free trade the EC is prepared to offer capital resources from various funds. Foremost among these are the European Development Fund and the European Investment Bank, which could offer Greenland subsidies and loans, if it were to have overseas territory status. In addition, there is the Fund for Export Stabilization and the Fund for Proceeds Stabilization in Mineral Exports, which would however, be of limited significance for the moment.<sup>7</sup>

## The Withdrawal Procedure

Greenland's voters decided to put an end to their EC membership in February 1982. According to the democratic rules of the game, the result of the referendum is being accepted as final by Greenlandic and Danish politicians as well as by pro-EC and anti-EC spokesmen. In March the Landsting requested the Landsstyre to negotiate the transition from member to overseas territory status and the Danish government was asked to initiate the negotiation procedure.

Article 236 of the Treaty of Rome provides that the government of any member state may "submit to the Council draft amendments to the treaty." Under this provision, the Danish government submitted in May 1982 a proposal for initiating the EC decisionmaking process, in the format of a draft agreement consisting of six short amendments to Part IV of the Treaty, Appendix IV and Article 227, whereby Greenland could be accorded overseas territory status.

Article 236 further provides: "Should the Council, having heard the presentation of the assembly and/or the commission, decide to call a conference of representatives of the governments of the member states, the president of the Council will call such a conference for the purpose of agreeing on amendments to the Treaty."

The Danish draft agreement was submitted to the commission and the parliament at the same time as to the council. The Danish government, which held the council presidency during the second half of 1982, tried to speed up the procedure by requesting the commission to come up with a recommendation prior to November. However, the commission was unable to give its recommendation until February 1983. Only then could preparatory talks begin in the council.

The negotiations over Greenland's transition from membership to overseas territory status are conducted by the council, with the Landsstyre represented as an observer with the Danish delegation. The heads of government of Greenland and Denmark had agreed upon a procedural strategy immediately after the referendum, which was designed to bring about a speedy withdrawal by Greenland. However, the overall negotiating procedure started up very slowly and it is unlikely that it will be concluded prior to 1984. Prior to this conclusion, a conference of governments will be called which must approve the amendment to the treaty. In addition, the treaty amendment must be ratified by the national parliaments of all member states. This circuitous procedure and the dragging tempo of the negotiations mean that Greenland's transition to overseas territory status will probably occur in 1985 at the earliest.

## Reactions to Greenland's Request for Overseas Territory Status

Greenland's position in the negotiations was affirmed in September 1982 at the annual Siumut party conference: transition to overseas territory status, if granted, must not mean that in return for free access of its

exports to the Common Market, Greenland would have to give EC fishermen free access to Greenland waters. If EC fishermen want to continue their harvests to the east, and especially to the west, of Greenland, they would have to pay for fishing licenses.<sup>8</sup> Additional demands are less controversial: EC citizens must not enjoy the same immigration privileges as do Danish citizens; joint Greenlandic/Danish jurisdiction over Greenland's natural resources must remain in force; there must be no impairment of Eskimo cooperation in the entire polar region which was begun in 1977.

In June 1982 the Irish EC Commission member, Richard Burke, was given the task of formulating the commission's recommendation. After a visit to the capitals of the member states he spent 1 week in Greenland at the end of September. During that visit he refused to give a firm promise for an unequivocal overseas territory decision; more specifically, he was unable to promise that Greenland's fish exports would have free access to the EC if British and especially German fishermen were no longer to be admitted to their traditional fishing grounds west of Greenland.

In February 1983 the EC Commission submitted a recommendation in which it gave favorable consideration to the Greenland's withdrawal from the EC and to the granting of overseas territory status--with certain special provisos. The recommendation refers to the restricted overseas territory status which was granted to the Netherlands Antilles in 1962 and which could serve as a model for Greenland's associate status, inasmuch as it provides for mutuality in fishery activities.<sup>9</sup> This emphasis on mutuality appears to be an attempt on the part of the commission to persuade the member states to favorable consideration of Greenland's request for overseas territory status.

On his European trip, Burke found strong opposition against granting overseas territory status to a withdrawing member. During the initial negotiation in the council in February and March 1983, counterarguments and negative positions were again presented. There were fears on London, Paris, Rome etc. that a precedent could be established by giving Greenland preferential treatment without its discharging the duties of a member and that a trend toward individual jurisdiction or autonomy could become a way of detouring the EC. German resistance is principally based on the worry that the German deep-sea fishing fleet would be deprived of its traditional fishing grounds in the North Atlantic.

## Conclusions

Greenland's desire to exchange its membership for overseas territory status derives from its wish to acquire the capability of protecting its new sovereignty which it attained with the introduction of self-government. This desire is specifically based on a plebiscite. The 10 democracies which are members of the EC today and who agreed to the experiment of direct elections to the European Parliament should respect this desire as being the result of a process which is fully consonant with the best democratic principles.

The Landsstyre cannot come to terms with having "to ask permission in Brussels to catch our own fish."<sup>10</sup> That is why the central issue in the current negotiations is that in the future Greenland, and only Greenland, will be entitled to manage fishing permits in Greenland's waters. To obtain this strengthening of Greenland's sovereignty, a majority of the population indicated in the plebiscite that it was prepared to do without the financial advantages of EC membership.

Greenland is not asking for fishing rights in European waters. On the contrary, the Greenland government has declared its willingness to grant German, British, Netherlands and other EC fishermen the right to catch certain quantities of fish which the Greenlanders are presently unable to handle themselves due to insufficient facilities. These fishing rights could be obtained by paying a permit fee.

Greenland's per capita income is greater than that of one or two other EC countries, but almost half of its GNP comes from subsidies from the Danish national budget. Greenland's economy still depends upon the development of one industry and is largely dependent upon the export of a single product. In that respect Greenland is in a situation similar to that of most of the 80 African, Caribbean and Pacific countries.

Denmark, as an EC country, considers Greenland's request for overseas territory status to be just as valid as Great Britain's request for overseas territory status for the Falkland Islands or for Brunei which, in view of its oil resources, has a higher per capita income than Greenland. The fear that a precedent would be created by granting overseas territory status to Greenland is based on the fact that Greenland is an overseas country which geographically is linked to the North American continent. That is why Greenland's withdrawal from the EC will have no impact on its membership in NATO nor on the American military presence in Greenland.

In such criteria as climate, culture, ethnic affiliation, social structure, economic and industrial development, infrastructure and means of subsistence, Greenland is basically so different from Europe that its withdrawal from the EC and transition to overseas territory status could never become a model for regions or areas in Europe. Its withdrawal does not constitute a precedent, but rather a unique occurrence.

#### FOOTNOTES

1. See Isi Foighel, "Home Rule in Greenland: A Framework for Local Autonomy," in COMMON MARKET LAW REVIEW, Vol 17, No 1, 1980 pp 89-108.
2. In the first Landsting elections the center-left party Siumut won a majority of 13 of a total of 21 seats. Atassut--the moderate center party--won the remaining eight seats. In the 1983 elections Atassut and Siumut won 12 seats each; 2 seats in the expanded Landsting fell to the left-wing Inuit Atagatigiit Party.

3. Under the terms of self-government, foreign policy remains a constitutional prerogative of Danish authorities. The Danish parliament must therefore approve a Greenlandic decision to withdraw from the EC, and its attitude toward it is strictly its own. In view of this, a referendum could serve only for advisory purposes.
4. ATUAGAGDLIUTIT/GRONLANDSPOSTEN, No 8, 24 Feb 1982.
5. The ruling guaranteed continued duty-free access to the Danish market for products from the Faeroe Islands; see Memorandum, Department of Foreign Trade Relations of 3 August 1981, subject: EC Free Trade Ruling for Merchandise from the Faeroe Islands.
6. European Economic Community Treaty, Appendix IV.
7. This would not include the exports of lead and zinc ores from the Marmorilik mine, which is operated by the Canadian Greenex Company; see Memorandum, Department of Foreign Trade Relations of 31 July 1981, subject: EC Agreements with Non-member Countries, Especially Overseas Territories.
8. The arrangement could be modeled on the permit fees paid by EC fishermen operating in the fishing grounds off Guinea-Bissau and Senegal.
9. AGENCE EUROPE, 4 and 5 February 1983.
10. Landsstyremand Moses Olsen, speaking at a conference about Greenland and the European Community, Kolle-Kolle, Copenhagen, 14 January 1983.

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CSO: 3620/408

## 'NEUES DEUTSCHLAND' CITES DKP'S MIES ON KOHL MOSCOW VISIT

East Berlin NEUES DEUTSCHLAND in German 9-10 Jul 83 p 5

[Text] Duesseldorf (PPA)--"During times of increasing disputes over war and peace, nuclear arms buildup or disarmament, confrontation or detente, meetings and talks between statesmen of the socialist and capitalist parts of the world have a special significance," according to a statement by DKP Chairman Herbert Mies.

"The DKP welcomed Helmut Kohl's visit in the Soviet Union, his intention to get to know the Soviet statesmen and to familiarize himself with Soviet ideas on guaranteeing peace. It appealed to the chancellor to represent national and European peace interests. He was asked to move constructively and consider the proposals and initiatives of the Soviet Union and other socialist states for the reduction and limitation of nuclear intermediate-range missiles, the decrease in international tensions and the prevention of the growing danger of a nuclear war. We and many other forces of the peace movement urged the chancellor to give some signal in Moscow that the FRG would act sensibly and be willing to remain free of U.S. intermediate-range missiles.

"Chancellor Kohl evaded this urgent matter in his talks in Moscow. He was not the spokesman of the overwhelming majority of our people, its desire for peace and understanding, but instead became an advocate of U.S. missile policies.

"Helmut Kohl's offers in Moscow did not represent patriotism, and they were not representative of the European spirit; rather, they were ordinary Reagan ideas. During his talks, Chancellor Kohl found out anew that in principle the USSR will continue its present line of peace policies in the future. In addition, he must have realized that the USSR sees the stationing of Pershing II and cruise missiles as a threat to its security. If the missiles should be deployed, the USSR will have to take the necessary political and military consequences. Yuri Andropov, the general secretary of the CPSU Central Committee and chairman of the Presidium of the Supreme Soviet, unequivocally told Helmut Kohl that the stationing of missiles would revive the danger of a war against the USSR on German soil and lead to complications in mutual relations. He pointed out to his FRG partner in these talks that the U.S. missiles would increase the military danger for

the FRG enormously, and as a consequence the two German states would be separated in the future by a solid missile fence.

"Thus, Chancellor Kohl can no longer claim that he did not know the extent of the consequences of the missile deployment. Furthermore, he can no longer spread the legend that the USSR accepted the stationing of missiles as a matter of course and that following the deployment everything would continue in the same manner as it did in the past.

"It is regrettable that Chancellor Kohl did practically nothing to alleviate Soviet concerns about the fact that the foreign policy of the FRG is subordinate to Washington's strategy of confrontation and war. What he demonstrated in Moscow with respect to Bonn's policies was not predictability and a desire for peace but, rather, the fact that the foreign and security policies of the FRG are tied to the unpredictable policies of the U.S. administration.

"Chancellor Kohl missed a great opportunity for a new step toward the guarantee of peaceful and friendly relations between the FRG and the USSR in the spirit of the treaties of the 1970's. Whoever travels to Moscow--as Kohl and Minister of Foreign Affairs Genscher did--without the desire to achieve a success through constructive negotiations and who instead carries in his baggage the burden of new demand for a revision of the Oder-Neisse border, for a change in results of World War II, must be prepared for the following question: does he believe that the USSR will permit an undermining of the results of World War II, the status to which we essentially owe the guarantee of peace in Europe? Whoever refuses to consider the Soviet initiative for the reduction of nuclear arsenals, as Chancellor Kohl did, and whoever repeats only the litanies that drift across the Atlantic must be willing to face the question of whether he is able and willing at all to conduct national and European security policies.

"As we did before his visit, we are again turning to Chancellor Kohl. We are asking him to tell the truth to the people of the FRG about the results of his visit and his talks in Moscow. The public must be told the truth about the fact that the USSR will not put up with the stationing of new U.S. nuclear missiles. The public must be told the truth about the bitter consequences of a new round in the nuclear arms race. If the missiles should be stationed, many aspects of good neighborly relations would be called into question. Economic and cultural cooperation would suffer great damage.

"Chancellor Kohl should tell the truth to the people about the fact that the USSR does not want an arms race. It is doing everything in its power to lead the Geneva negotiations to a successful conclusion. At the same time however, everybody must realize that the USSR will never permit a shift in the current military balance to its own disadvantage and to the advantage of the aggressive forces of the United States.

"In view of the concerns among the workers for their jobs, in view of the more than 2 million unemployed persons, Chancellor Kohl should tell the

truth to the public about the fact that favorable relations can only be developed and unfolded maximally if they are free from missile threats and revenge, from renewed attempts to revise the results of World War II. It is inconceivable that favorable relations with the USSR could thrive if the FRG were to pursue a policy which is totally in keeping with the interests of U.S. dictators. Chancellor Kohl could find out in Moscow that the possibilities are far from being exhausted for the continuing development and expansion of economic relations in favor of better guarantees for jobs in the FRG.

"Finally, as a result of his visit Chancellor Kohl should use the entire weight of the FRG against the United States. He should demonstrate his determination and tell his partners in Washington: the FRG has reached the point where it expects the United States to use a constructive approach to the continuation of the Geneva negotiations.

"The course and the results of Chancellor Kohl's visit and talks in Moscow are the reason why all peace-loving and democratic forces in our country realize the necessity of doing everything possible to prevent any undue stress and intolerable burdens from fraying the relationship between the FRG and our Eastern neighbors due to the deployment of new nuclear intermediate-range missiles. Everything possible must be done to assure that the principles of peaceful coexistence and established treaties must form the basis for the relationship between the FRG and the USSR as well as other socialist states.

"Whoever is in favor of peace and friendship between East and West must not agree to a plan which will make the FRG a launching site for first-strike nuclear weapons against the USSR. He must do everything possible right now to strengthen the peace movement.

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## VOGEL'S STYLE AS LEADER OF SPD IN OPPOSITION

Munich SUEDEDEUTSCHE ZEITUNG in German 23 Jun 83 p 3

[Article by Martin Sueskind: "Firm Leadership Following the Change of Roles"]

[Text] Bonn, 22 Jun--"I was expecting great, very great difficulties... with this in mind, things actually went respectably." In spite of his sober wording, Hans-Jochen Vogel's assessment of his own work since 8 March 1983 is by no means timid but rather self-confident: it is the analysis of the situation of a man who can say about himself that he came through the first 100 days of his new position quite well and that he was able to avoid serious mistakes. This week, when the Bundestag is adjourning for the parliamentary summer vacation, Vogel is evaluating his own performance, saying that he succeeded rather well "in holding things together," and for the time being it is more than pessimistic minds had predicted.

It happened on 8 March: it was the day when Hans-Jochen Vogel was elected the new chairman of the SPD parliamentary group in the Bundestag, the leader of the opposition party, which quantitatively had been reduced substantially following the defeat in the election against Helmut Kohl. It still had to face up to all the qualitative changes in the political situation. Following 16 years in power, many SPD members are still not quite sure what it means, the fact that their party is no longer the party in power. Even leading members of the parliamentary group are still in the middle of the transformation process. Criticism and praise, resignation and enthusiasm--at the present time there is hardly any mood of motion that cannot be found in the upper echelons and also the mid-level of the parliamentary group. For the time being, Vogel seems to be the only constant factor. Everything around him is in upheaval. Is Vogel a one-man show of the SPD?

It is possible that he is aware of the complicated and muddled situation, but he does not talk about it. Important deputies, who refuse to give their names, are criticizing his leadership style and also finding fault with his conceptual-political horizon. Others are equally vehement but they are enthusiastic when they talk about the style and tone of Herbert Wehner's successor and its effect on the work in the parliamentary group. It is almost impossible to get a solid opinion, as can be seen from two

assessments that came from the top leadership team: in spite of everything, according to one opinion, "the mood" among the deputies is "very positive." According to the other opinion, the mood within the parliamentary group is so charged that it could "explode at any time." At any rate, it appears that the truth, although it may not be in the middle, is the realization that there is no alternative to Hans-Jochen Vogel in the SPD, the opposition party (which is the reason why criticism is subdued; praise, on the other hand, is proclaimed openly)..

Vogel is complying with the request to review the situation once again and describe the degree of difficulty of his Bonn venture by listing a few key items: right now he had to lead 201 Social Democratic Bundestag deputies; earlier, in the Berlin House of Deputies, the number came to only 50 parliamentarians. It was not easy to be Wehner's successor. Incidentally, four-fifth of the Social Democratic members of the 10th German Bundestag--something one should not forget--never knew from experience what it was like to be the opposition. After all, the danger had been very great of self-reproach and self-torment following the loss of power; anyway, he himself--aside from the brief experience in Berlin--had always been a man of the executive...

Because there were so many uncertainties, Vogel devoted considerably more attention to the regulating forces of organizational structures than was deemed necessary by one segment of the parliamentary group: in spite of strong resistance, particularly from a group that had formed around Hans Apel, he introduced a model which was fashioned with his political leadership in mind and included eight deputies, eight ministers operating behind the scenes, who are simultaneously responsible for the political functions of the parliamentary group. In addition there are five parliamentary managers. All of them together form the managing executive committee of the Bundestag parliamentary group--the real power center of the opposition.

Praise by Horst Ehmke

The head of the parliamentary group is using this instrument in a manner that led leading comrades to coin the word "departmental administration"--an allusion to the time when the former lord mayor was in charge of an apparatus and the problem of working with politically equal men and women did not exist. At any rate, one of the problems of cooperation within the leadership of the opposition seems to be caused by the pressure of the hierarchical arrangement which simultaneously tries to preserve the originality of those who participate in the leadership. In Vogel's surroundings, the advantages and disadvantages of the new leadership structure are judged matter-of-factly: "Politically we can react faster than before; also, it is easier for us to recognize and solve conflicts." Nevertheless, there is no doubt that the centralist structure also carries the danger that public attention might be concentrated on the eight leading personalities, and it might be difficult to get sufficient attention for the creative accomplishments of nonprominent deputies. How flexible Vogel will be in these organizational questions will be a contributing factor when it comes to the long-term success of the chairman. At least, that is

the opinion of a friend of the parliamentary group who is viewing the situation from a distance: "The man comes from monocratic authorities; now he is surrounded by people who have a great deal of political experience themselves.... Perhaps he should have more confidence in the abilities of others. To a large extent it will determine whether he will be successful in the long run."

In the meantime his coworkers have become accustomed to the fact that he is a fanatic about punctuality; he is a workhorse, a consumer of files, a letter writer and someone who prefers to rely on written notes rather than on his memory. Courtesy does not come first when a matter is at issue--to put it simply, Vogel is a difficult boss and coworkers are groaning as much as they ever did. Vogel is still firmly convinced that bureaucratic order is an instrument which can take political creations that are difficult to govern and make them governable.

A deputy of the type of Horst Ehmke, for instance, who is abounding in self-confidence, remains calm in this situation. Ehmke remarks that Vogel is doing his job "politically quite well." According to his, Ehmke's, usage of words, it is definitely meant to be laudatory. Furthermore, if somebody wants to convince him, Ehmke, of the urgency of a political matter, this person should talk to him directly. In other words, Ehmke, whom the others secretly call Vogel's first deputy--although there is no such order of rank--is "quite satisfied" with things as they are.

Does it also apply to the majority of the members of the parliamentary group? Distinctions will have to be made among the various groups: the one-time strong arm of the parliamentary group, those working through channels, still exists, but it has lost strength. Since political manipulations of personalities have become less significant, since--according to Herta Daeubler-Gmelin--"fortunately there is again more talk about things and less about people," opinions are formed along different lines. It seems that the Right and the Left have become somewhat weaker and that the "Center" has become stronger; in this respect, Hans Apel's influence as the intellectual spokesman for a strong Center-Right movement cannot be underestimated. Nevertheless, it seems that there are fewer irreconcilabilities on either side. According to Herta Daeubler-Gmelin, the leftist: "Apel? Certainly, a very pleasant personality."

Gerhard Schroeder, the 29-year-old leftist, cannot provide critical remarks about Vogel: "I am very satisfied with his style of operation." As far as he is concerned, the discussion within the parliamentary group of the missile question was a good example of the new style: Vogel permits "others to express their opinions on the contents," "does not remove any formal elements," "comes through in spite of resistance," "behind his forms is a clear political will," "he should retain his style..." And as if he had not proclaimed sufficient praise, Schroeder recommends that his co-airman "not pay any attention" to the possible "vanities of his subordinates."

To be sure, the difference in accents, when it comes to the evaluation of the boss and his role, is undoubtedly related to the need for prestige among the members of the parliamentary group but it is also based on motives that result from a difference in opinion on the matter. One of Vogel's friends from the inner circle of the party leadership realized a long time ago that many a person who is at variance with Vogel's forms is essentially irritated by his political course: a distinct integration course, which had already caused problems for Party Chairman Willy Brandt at an earlier time when he antagonized some members in the parliamentary group. The reason is that some of the deputies feel that the course is too far to the Left, a road leading to the brink of leftwing, politically nebulous areas. The internal dispute about a paper which is to describe the relationship between the SPD and the peace movement was a clear indication of this conflict which has not been removed; at best it has been superposed by Vogel's dominating position.

#### Fear of Unexpected Happenings

Next to the immediate goal of "keeping things together," Vogel's intention has been from the beginning to use his initiatives as a springboard to establish firmly and as soon as possible in the consciousness of the public the realization that the SPD is indeed a competent opposition party. It is the reason for the fast tempo with which proposals, inquiries and drafts were introduced in the Bundestag. In many areas, competition from the Greens was practically eliminated because of the diligent work by Social Democrats. Nevertheless, there is still much uncertainty about where the political work is going to lead next year, when the "year of counterarming 1983" will be over. There is much talk about "putting up stakes" and preparing well-planned modern economic and social concepts, about the necessity to help some labor unions out of their political-structural crises. Nevertheless, the SPD is still far removed from seeking or preparing new parliamentary alliances. At any rate, a big coalition would be an accidental product, resulting from a crisis development which nobody in the party wants to preduct.

Least of all Vogel. Next year he will take over Helmut Schmidt's position as deputy chairman, but he will still not be any stronger than he is today. On 4 May, in his reply to the government declaration, he assured the chancellor that the SPD was not hoping for catastrophic developments to be able to return to power. "We will practice opposition not obstruction," His desire is for a similarly constructive political cooperation within his own parliamentary group. He is aware of the debate of style which surrounds his person and also of the fact that many members of the parliamentary group have difficulties with the "bureaucrat" Vogel and his insistence on order and form--with this in mind, he remembers the sentence: "Forms do not prevent creativity, but accidental happenings do." And it seems that he is still afraid of them more than of anything else.

## LOSS OF TRUST IN POLITICAL PARTIES BY VOTERS ANALYZED...

Helsinki HUFVUDSTADSBLADET in Swedish 13 Jul 83 p 2

[Editorial by Jan-Magnus Jansson: "Aversion to Political Parties"]

[Text] The much-discussed aversion to political parties has many different causes, several of which the parties could eliminate, according to Jan-Magnus Jansson.

The growing distrust of political parties has been a leading theme of many studies and comments from the mid-1970's until today. This involves an international phenomenon that has been noted in most democratic nations and thus is not bound to any one place or to any particular conditions. In our country this has been relevant at least since the end of the 1970's when Pertti Pesonen's and Risto Sankiakhon's well-known study of voter alienation from political parties came out.

One of the main reasons why the parties are regarded as going through a crisis is that the very foundation of the party system is at least partially outdated. In almost all democratic countries, the party system expresses a right-left dimension, i.e. the contrast between an individualistic concept of society, based on individual initiative, and a collective ideology, based on a certain amount of state control and direction.

For a long time, the right-left dimension expressed essential realities in society, especially since it coincided with the opposing interests of certain groups in society. When a stream of new ideas broke into politics at the end of the 1960's, ideas that expressed the contrast between centralization and decentralization, economic growth and a tight economizing of resources, autonomy and bureaucratic control, etc., the old boundaries no longer seemed appropriate. A new political dimension emerged which the parties had a hard time expressing.

Since then the situation has changed in two respects. On one hand, the parties have adjusted to the new situation--some of them quicker than others--and incorporated the "new" values into their ideologies. One can even say that the parties, always on the go at least when it comes to verbal

protestations, have now adopted the so-called soft values, so that no true dialogue can arise among them. It is also part of the paradox that the state, municipal and business administrative hierarchies are still stressing the ideology of rationalization and large units and there is little the parties can do about it.

Another new phenomenon is that the right-left dimension has again gained new relevance through the frenzied attacks of the neoconservative (some say neoliberal) trend on the social welfare state and its consequences. Leaders of Reagan's, Thatcher's, Kohl's, Willoch's and Schluter's stamp differ from past nonsocialist politicians in that they have a clear mandate to change society and reduce the state controls and social support mechanisms that were set up in the past. The compromise between a free business sector and an expansive social state that was possible as long as the economic expansion continued unchecked has been invalidated. And with that, the contrast between right and left has become more meaningful than it was before.

However, consensus politics and the "social contract" have survived here from the late 1960's and thus our situation is very special. This is pointed up by the fact that in an article in HUFVUDSTADSBLADET on 10 July, Prime Minister Sorsa brought up the question of whether the parties are really capable of pulling themselves together and dealing with the problems of the future. Among those he mentioned were the continued existence of peace, collective responsibility for mankind, respect for ecological prerequisites, the renewal of working life and the mental problems of people in modern society. Sorsa conceded that the ability of political parties to renew themselves seems to have "dried up," but he still believes in their capacity to confront the problems of the modern age while at the same time maintaining the gains of the past, equality and basic social security.

Sorsa goes to great pains in the article to appear as a statesman rather than a party politician and that is probably why his description of the problem is so noncontroversial that it is generally easy to agree with what he says. But it is significant that when our prime minister behaves in an attention-getting way, he seeks a general political platform as a Thatcher or a Palme would never do. The problem for us remains how the parties can stay sufficiently interesting and varied in spite of the consensus climate that perhaps all of us basically regard as much too valuable to throw overboard.

There are also other, more special reasons for the aversion to political parties that both researchers and commentators have observed. One assertion is that the parties have increasingly become pure power apparatuses, in which interest in specific issues has diminished. The gap between campaign promises and performance is too great and thus credibility has diminished.

As far as that goes, the distance between what a party wants to do and what it can do in a multiparty democracy is always great and that is something that should be stated more honestly in election campaigns than is usually the case. The way the media depicts events has changed and this has undoubtedly intensified the scrutiny of party reliability. This issue has been brought to a head in Finland now that the Rural Party has a chance to demonstrate in practice what it is capable of. This depends on whether the frustrated voters who have built up the party will continue to support it or seek new routes for their protests.

Finally, what might be called the parties' claim to totality contributes to the alienation of many voters. The attempts in the 1960's and 1970's to take over control of extensive sectors of the administration through political appointments and similar efforts to acquire influence over such things as higher education institutions, research and art, are expressions of this kind of claim to totality.

This is a trend that seems to have subsided, at least for the moment. With regard to appointments, those without political affiliations seem more favored than they were before. The fact that there is hostility toward the creation of new civil service posts and that political purges like those of the 1960's and 1970's are not possible can certainly have contributed greatly to the increased restraint by the parties today. With respect to partisan influence on culture, those who are active in cultural affairs, even those who have party ties, have reacted sharply and have expressed a wish for greater autonomy, and the parties have taken note of this too. To sum up, many of the causes included under the heading of the "party aversion" that has been discussed are things that the parties themselves are capable of eliminating.

6578

CSO: 3650/249

POLITICAL

GREECE

U. S. AIRCRAFT ACCIDENT RAISES POLITICAL ASPECTS

Athens I AVGI in Greek 8 Jul 83 p 5

[Text] It seems that the mystery in connection with the American plane which was forced because of a malfunction to make an unscheduled landing at Ellinikon Airport is not going to be cleared up easily. Because the authorities of the American base at Ellinikon have prohibited any access by Greek personnel and any involvement by Greek authorities in the investigation of an event which--when all is said and done--could have had catastrophic consequences for the airport itself. Thus we have yet another case related to the "exclusions" which govern the American bases on Greek soil and which make them immune from control in every respect. It should be noted that shortly before its unscheduled landing, this American transport plane was observed to be dumping into the sea something like a large crate. What was this? What could it have contained, to make the pilot think it necessary--or to be ordered--to "unload" it before the dangerous landing? But also--finally--what was this plane carrying? Obviously all these questions will remain unanswered, thanks to the unacceptable status quo of the existence and operating of the American bases on Greek soil. This incident speaks very clearly as to how imperative it is to abolish these bases, which operate like a "state within a state," in ignoring the laws and the legitimate authorities of Greece and in serving foreign interests and interests antithetical to our national interests.

12114

CSO: 3521/376

## UNITED STATES SEEN HAVING STRAYED FROM 4TH OF JULY IDEALS

Athens ETHNOS in Greek 5 Jul 83 p 6

[Excerpts] American Ambassador Stearns received at his home yesterday representatives of the political community of Athens, diplomats, military figures, leaders of the intellectual, social, and economic life of the country, and editors of Athenian newspapers.

Precisely the same thing happened at all the American embassies on the five continents: In every country political leaders, military figures, diplomats, businessmen, and figures from public life were the guests of the American ambassadors. Because yesterday was the 4th of July.

The Americans had their national holiday. The Americans in America (and throughout the world) celebrated the 207 years which have passed since the proclamation of the Republic and the declaration of independence, the 207 years since the time when they broke the colonial yoke and as free people marched toward prosperity.

But what connection is there between the poor, liberalistic, humanistic, and proud federation which Washington and Jefferson founded, following an armed struggle, and the current extremely wealthy, conservative, cynical, and arrogant superpower of Weinberger and Reagan? Unfortunately, almost no connection at all!

And of course, no matter how much we are obliged to admit that during the two great wars the United States was on the side of the European democracies, we cannot forget that the country which was made illustrious and was glorified on 4 July 1776 is also a country which today--every day:

Sullies itself in El Salvador and in Chile and throughout the American south;

Dishonors itself in fire-ravaged Lebanon and in occupied Palestine;

Discredits itself in occupied Cyprus and among its refugee population;

Is showing its repugnant aggressive personality at the conferences of Madrid and Geneva; and

Is revealing its racist and imperialist features in the ghettos of Harlem (on its own soil) and in connection with the millions of children who are dying each year from hunger throughout the world, when the same country spends \$200 billion every year in order to keep in chains dozens of countries on this planet.

Because precisely this is the tragic truth: The children of those who proclaimed that freedom and independence are natural and inalienable rights of nations and of individuals are forging chains for nations and peoples, being content with the fact that only they themselves live freely and independently....

Of course, we do not wish to and do not mean to take it for granted that the American people, with their great democratic and liberal traditions, will consent to this imperium to the very end and will let the hawks cause tribulations to other peoples and to themselves.

We believe that the conscience of the great American people will awaken soon, will soon swell the armies of peace, and will soon send home the merchants and salesmen of tension and aggression.

And with this faith, we congratulate the Americans on this 4th of July, with our hope being that they will again become worthy of it soon.

12114

CSO: 3521/376

## COMMENTS, REACTIONS ON SIGNING OF BASES AGREEMENT

## Brighter Future Expected

Athens I KATHIMERINI in Greek 18 Jul 83 pp 1,3

[Article by N. Nikolaou]

[Text] Following the signing of the U.S. bases agreement, the course of our economy is now placed within new frameworks, and it is the general impression that its further advancements are being routed under more favorable conjunctures. In a first stage, the acuteness of our country's exchange problem is expected to be dulled, while in a second phase, there will be positive influences which will allow Greece to participate more quickly than anticipated in the course of the international economy's recovery. Naturally, whether these favorable prospects will be implemented in specific achievements will depend exclusively on the way in which the government exploits implementation of our relations with the United States, and principally on whether it takes advantage of this event to improve the climate domestically and strengthen the investment interest of strong economic factors abroad. Because there is the possibility that the government will try to balance the bold, realistic step it took with openings to the "left."

The possibility of this danger is real and immediate since it not only lurks in Andreas Papandreou's worries about losing PASOK's leftist voters, but also mainly because it is fed by the PASOK party mechanism which, dogmatic as it is, is pressing for acceleration of steps which will strengthen the dominating role it pursues in the country's economic and political developments. Thus there could be a delayed "blow-up" of the prime minister which will temporarily aggravate the political climate. But, in the long term, the signing of the agreement will act positively on the political climate because it removes one of the most basic causes of political oppositions and disputes; it is characteristic from this standpoint that KKE's reactions were not as vehement as anticipated and, at any rate, they were kept within the frameworks of the rules of parliamentary democracy.

Those who expected KKE to lie in wait for the signing of the bases agreement in order to launch a fierce war against the government (with strikes, and aggressive demonstrations and on the sidewalks in general) will be disappointed. In fact, there is information that after the Kalamata events, KKE found the opportunity to advise the tough ones in PASOK that it is not disposed to reinforce movements and actions which dynamite the political climate.

## Feeling of Security

At any rate, regardless of the short-term propagandistic tactics which the government staff will map out, the objective consequences of the signing of the agreement are already taking effect; they are serious and will prove to be determinative for our political and economic developments. Authoritative economic circles are not concealing their satisfaction over the agreement, and note mainly the following:

1. A long period of uncertainty in international relations, which led to a singular economic isolation of Greece, is ending. The basic thing is that a feeling of security is now consolidated for the overwhelming majority of Greek people who do not want our country to withdraw from the West. From now on, regardless of the activity promoted by the PASOK party and propaganda mechanism, it is certain that the long-term developments have been signalized in advance.

The changes the PASOK government can bring about in the country's political and social physiognomy will be marginal and surpassed. The bases agreement, as well as our now evidently definite continuance in the EEC, are the two strong rails which will hold the Greek car on a steady course and exclude deviations to the difficult and dangerous paths of third-world quests. The regime of a free and open economy, and parliamentary pluralism, are now acquiring strong foreign supports in addition to the domestic ones.

The people's feeling of security has been strengthened in addition by verification that the president of the republic remains the guarantee of the stability of Greece's foreign orientations. The president's constant following of all the developments in the negotiations and his decisive mediations to the U.S. side certainly contributed decisively to obtainment of the satisfactory terms with which the agreement finally occurred.

## Positive Test

2. The very broad political accord secured by the government with its decision to proceed to signing of the agreement is the first essential step, and the first test in practice, of the idea of a national agreement which will offer the possibility for the country's critical political and economic problems to be confronted successfully. Regardless of whether the party interests of PASOK or ND lead tomorrow to new transitory acrimonies in the political climate, the overwhelming majority of Greek people duly estimated that, on the most critical and contested national problem, the two great parties were on the same side of the trench! It is, therefore, feasible and possible that they will be on the same side again in order to save the economy!

The existing information talks about harsh measures to which the government will be forced to resort in the winter to stabilize the economy--which means reducing consumption to the actual possibilities of national production so that deficits in the public and private sectors are restricted.

It is now certain that new taxes will be imposed which will harm the farmers this time; there will also be demand for a housekeeping and curbing in public enterprises and organizations which will certainly meet with resistance from the workers

in these sectors. In order to avoid aggravating the reactions and creating a climate of social agitation, a national agreement between the parties will be needed.

#### Immediate Effects

3. The settlement of our relations with the first power in the western alliance will have immediate effects on the country's economy, while its long-term repercussions will be broader since consolidation of our ties with the West also concerns Greece's relations with the EEC, but also with all the developed countries. More specifically, the immediate effects will be apparent in the following sectors:

a. In the sector of the balance of payments; its dramatic condition was surely one of the main factors which persuaded Andreas Papandreou that he could not keep the issue of signing the agreement pending for very long. At this point, the role of the minister of national economy, Ger. Arsenis, was certainly decisive. With his great experience in issues of settling foreign debts and his close ties with the international money market (it is well known that, at the last moment and only thanks to his personal intervention, the foreign banks gave us short-term loans to shore up the balance), Mr. Arsenis was the person who had clear positions on the bases issue and gave the members of KYSEA [Government Council for National Defense] the correct economic dimensions of the problem.

The immediate payment of 500 million dollars, and the expected settlement in interest and redemption installments of our loans to the United States will be a great relief for our shaky balance at this time.

b. It is known that our needs in foreign lending are pressing and will increase in the immediate future to the degree which the economy makes its first timid steps for recovery. Financing of investments in advanced technology branches, which the government is promoting, requires capital which only the international banking system, controlled by the United States, can supply to us. Already, the approaches which the Bank of Greece is making more and more frequently of late to the international money market show that we are nearing the borderline point (proof is the niggardly loan we obtained in Japan). Passing over it presupposes Washington's political support and intervention.

#### Investment Calm

c. In the very general investment calm of the last two years, the nearly total absence of foreign investments was impressive. The role of such investments in the 60's showed, however, that without these development and upgrading of our industry is not possible.

It is clear that the absence of foreign investors in the last two years is not unrelated to the insecurity which they felt about the future of their enterprises in a country whose government had not settled on the socioeconomic system it would apply. Now the prerequisites are being created for foreign investors to come, under one natural condition: That at the same time there will be an improvement in the climate of relations with Greek manufacturers, only with whose cooperation can foreign investments occur.

d. The U.S. economic recovery, which has already begun, can now more effectively influence (through tourism, shipping and exports) our own developments,

## Immediate Demonstrations

Athens I KATHIMERINI in Greek 18 Jul 83 p 3

[Excerpts] Political writers--Greek and foreign--were informed on the morning of 16 July that the prime minister would make announcements at 1100 about the initialing of the bases agreement. There was a crowd at 1100 in the Senate Hall. At 1215 the movement of photoreporters and television crews signalled "they are coming."

Minister to the Prime Minister Koutsogiorgas entered first; his wide smile left no doubt about his satisfaction that "the bases" were signed with a terminal date. Which means that they will leave when the agreement expires.... Next came Minister of Interior Gennimatas who was excessively and firmly scowling. No one understood why. The uncertainty reached a crescendo as the alternation of smiles and frowns continued when the other ministers entered: Minister of Public Order Skoularikis, smiling; Minister Laliotis, scowling; Minister of Foreign Affairs Kharalambopoulos, the height of triumph; and Minister of Public Works Tsokhatzopoulos, frowning....

The prime minister soon appeared. His speech began at exactly 1217.

Since October 1982, when negotiations began, until day before yesterday, when they ended with the initialling, a nine-month pregnancy has been completed! The Greek people shared the labor pains with Reagan's U.S. Government and the Greek government of "Allaghi." With the delivery on Friday, the infant was born naturally and as anticipated, with the name "agreement on the bases" and, according to PASOK, "time-table for...removal." Which means that the bases remain for 5 years and 17 months or leave in 5 years and 17 months. If they leave then. Because "for now" they are staying, this we understood, even if a news bulletin did not tell us, precisely because it was not...news!

Fortunately this did not prevent the prime minister from appearing on the first afternoon television report and talking about the bases, and soon the horns began! At our offices in Omonia Square, no sooner had we caught the announcement, and the contents of the agreement, from Papandreou, then we heard the loudspeakers from the party offices and the horns from every kind of car, with boys or girls sitting next to the driver and shouting to the people to gather at Kotzia Square to protest. The roads and sidewalks were filled with red "fliers" which apparently had been left over from another demonstration. "Stop the negotiations," they said, and "Out with the bases," while the agreement had already been signed and the bases remained! Traffic was embellished with large groups from various suburbs who held banners basically with "anti-bases" slogans and the timely postscript: "During this Chamber, through the government of 'Allaghi', out with the bases!" As for any--even one--peaceful and congratulatory demonstration by PASOK adherents, with banners "Long live the agreement," or "The bases belong to the Greeks," none were seen....

## Karamanlis-Papandreou Difference

Athens I KATHIMERINI in Greek 18 Jul 83 p 9

[Editorial: "After the Signing"]

[Text] No one but Andreas Papandreou, his government and the leadership of the "movement" is responsible for the fact that, with a feeling of relief, the overwhelming majority of Greek people received the announcement that the agreement on the U.S. bases had been signed. Exempted, of course, from this positive reaction are Communist Party adherents (and those from PASOK) who believe that they are purer socialists who would celebrate--all together--only if a similar agreement had been signed with the Soviet Union.

If Mr. Papandreou and his government had, from the beginning, avoided any noise about the bases; if they had handled the issue with an accurate appraisal of its dimensions and of the improvements which needed to be made in previous texts, with a criterion of the nation's obvious and specific interests, the news about restoring a new agreement would be neither hot nor cold to any prudent citizen in this country. Now, with the bases being connected to Greece's independence and sovereign rights, and with the persistent effort to create an anti-American and, more generally, anti-western climate, those not inclined to shift to Jaruzelski-type democracies feel glad because we are remaining in the West and because our defensive cooperation is continuing with the Americans! This is the only psychological achievement within the country from PASOK's aspiration to bet on Greeks' "anti-Americanism" to gather and maintain party sympathies!

At any rate, since the issue has ended for Greek public opinion--it may stir PASOK's insides for awhile, but that is its own problem--there must be an end to the effort to politically exploit it which could create unpleasant problems,

Already, with the announcement of the agreement's initialling, a clear difference of opinions has been expressed between the president of the republic and the prime minister as to the significance of the presence of U.S. bases on Greek soil. Mr. Karamanlis, commenting on the restoration of the agreement, said that: "With this, the country's security is strengthened," while Mr. Papandreou characterized the agreement as a "first step for restoring our national independence."

In other words, according to the prime minister, the presence of the bases is a fact which undermines Greece's security, since "decreased" national independence is certainly not consistent with the concept of national security!

Even if Mr. Papandreou does not agree with similar interpretations but is forced to express them for reasons of internal party needs, this rhetorical discord--no longer only with what the president emphasizes, but also with common logic--begets in the broad public thoughts about which the prime minister would not feel at all proud.

Really, how could it become accepted that the presence of the U.S. bases (freed, as Mr. Papandreou assured, from its humiliating consequences for our sovereign national rights) does not also serve the country's defense interests? When aid--even if

borrowed--is granted to us which we are unable to borrow from anywhere else, aid which is absolutely necessary for maintaining the balance of military strength in our area? When the existence and operation of these bases helps in keeping the two superpowers from actively interfering militarily in the flammable area of the Near and Middle East, with the equilibrium it re-establishes between them? Is it not in Greece's interest for clashes in its neighborhood to not assume such dimensions?

Of course, no one wants military installations to exist on his native soil, because such installations let it be known that something is not going well in our world, that peace is surviving not because all are working for it but because it is imposed--but until when?--by the most destructive weapons our planet has ever known! Since this is the present reality, however, the effort to abolish the bases cannot mean anything but upsetting the existing balance. Unless the bases are abolished in a balanced way. If they are not abolished...?

9247

CSO: 3521/382

## COMMENTS ON RECENT RESIGNATIONS OF OFFICIALS

Athens I KATHIMERINI in Greek 14 Jul 83 p 1

[Excerpts] Instead of the postponed new "reshuffling"...there are resignations! A rupture was noted yesterday in the government's cohesiveness with the resignation of Deputy Minister of Finance P. Roumeliotis, which was announced by the government without any comment or justification. At the same time, the resignation was also announced of the general secretary to the Ministry of Culture, M. Doris, while there were press reports that the resignation of another general secretary to a ministry is also imminent. Although political observers were not ignoring any significance inherent in the simultaneous announcement of the two resignations, they were emphasizing that the scale of the rupture is surely given by the resignation of Roumeliotis, seeing that this indicates an intensification of conflicts within the government, especially in the economic sector. It is noted also that the interministerial quarrel which forms the basis for yesterday's resignation is surfacing precisely one year after last year's "reshuffling," and moreover in this period of time the PASOK government has known repeated dismissals, resignations, and "axings" of government and party officers.

It is observed that the rate of minor or major inner-party and governmental crises which PASOK has known as an administration is disproportionately frequent, given not only the age of this government but also its strong parliamentary majority.

It is being emphasized that yesterday's resignation of the deputy minister of finance most likely constitutes only the visible part of the "iceberg" and that the situation which prevails in terms of the relations among the economic ministers is literally an explosive one.

After all, not much time has passed since the relevant newspaper articles which reported that the minister of national economy had suggested the removal of four members of the administration in the economic sector.

In assessing all these factors, the premier--it was observed by the same sources--chose to thank Roumeliotis publicly yesterday "for his contribution to the work of the government."

The resignation of the deputy minister of finance was made known yesterday evening by a government announcement, in which the resignation of the general secretary to the Ministry of Culture was also reported.

"Mr Doris has asked to be released from his duties, in order to have the time free to complete a study on the subject of culture which he had begun some time ago.

"The position of general secretary to the Ministry of Culture and Sciences has been assumed by K. Alavanos."

#### There Have Been Disagreements

The government has kept absolutely silent about the reasons which led Roumeliotis to resign. Press reports have indicated that these reasons are not limited to issues of personal cooperation by the resigning deputy minister, but are also linked to irregularities observed in connection with cooperation from the economic officers of the government. It is believed that the point in time at which this situation began was the statement by the premier--last May--where in response to an article in the KATHIMERINI about a disagreement between Arsenis and Varfis, Papandreou announced that the minister of national economy had precedence throughout the entire spectrum of the government's economic policy.

From that time on reports about the existence of disagreements among the economic ministers began to be published. The high point of these inner-governmental quarrels--aside from the constantly expressed desire of Minister of Finance Koulourianos to resign--was the reports which were published about the proposal by Arsenis (to remove Minister of Commerce Moraitis and his three close associates, Alternate Minister of National Economy Pottakis, and Georgiadis and Dimosthenopoulos, deputy ministers of national economy).

Yesterday's resignation of Roumeliotis is also a part of this whole complex of "sensitive" relations among the economic ministers of the government.

According to press reports, there is a clear distinction between the causes and the occasions which led the deputy minister of finance to submit his resignation.

According to the same reports still, the true cause is stated to be the dissension on the part of Roumeliotis on matters of economic policy. It is said that in particular Roumeliotis had expressed criticism within the ranks of the government about the course being taken by public-finance developments. From that time on, he has been faced with an ongoing "conflict" with his boss, Minister Koulourianos, and to a lesser extent with Arsenis.

12114

CSO: 3521/376

## COMMENTS ON KKE's TACIT TOLERANCE VIS-A-VIS PASOK

Athens I KATHIMERINI in Greek 24-25 Jul 83 pp 1-2

[Article by Stamos Zoulas]

[Text] The initialing of the bases agreement can be considered as the onset of stabilization of the compass needle in the PASOK government's foreign policy. On the other hand, however, the removal of this pending issue is creating a new form of instability in our domestic situation, especially with regard to the ideological and political confrontation of the three parties represented in parliament. PASOK --either seeking it or incapable of avoiding it-- moved a position on our political chessboard by converging on the centrist sector. It is attempting to camouflage its pulling closer to the "choices of the Right" with a screen of sham acrimony. The KKE appears to accept a renewal of its tacit agreement with the government, anticipating greater benefits. Finally, New Democracy is pondering over the tactics that it must adopt to confront PASOK's effort to drive the honorable opposition back to more rightist positions.

In this instability, the only positive factor stems from the common appreciation that the favorable outcome of the Greek-American negotiations has for the time being ruled out any possibility of premature and sudden elections through an initiative by the government. Thus, the first time period for the next elections is fixed as July 1984 when elections for the European parliament will be held. Therefore, the next 11 months will provide all the parties concerned with a relatively comfortable margin to bring about a revision and reorientation of their ideological and political confrontation.

With regard to PASOK, the initialing of the agreement was deemed a victory by its centrist forces and a truce by its leftist wing. From a political standpoint, all believe that the removal of the pending issue had positive effects on the vast majority of party voters and consequently it is being registered as a positive act. The 9-month pregnant period of the government's desire, the impression of tiring and vacillating negotiations and the agony over the final outcome all contributed to a positive questioning by all those "who took at face value" PASOK's pre-election proscriptions against the bases, NATO and generally-speaking with the ties of our country with the West. Thus, the acceptance that the agreement relates to the withdrawal and not to the maintenance of the bases went over rather well in PASOK's electoral grassroots. This is attributed to two factors.

1. The immediate withdrawal of the bases never constituted an imperative demand by the 48 percent majority that PASOK got in the last elections. It was, nonetheless, a KKE demand that was adopted by Mr Papandreou in 1974 when he was seeking vital political ground from the area of the broad Left so as to increase his party's forces.

"He Wanted To But Was Unable....."

So, for a large percentage of new PASOK voters this slogan had and still has a potential and not obligatory characteristic. "Andreas wanted to but was unable" must be the somewhat indifferent ascertainment. An ascertainment that does not, of course, relate to the slogan "the people want, PASOK is incapable," that had been linked by Mr Papandreou's voters with other --mainly economic-- demands. This is so because what is particularly painful for PASOK in this area is the continually growing gap between what the people want and what the government cannot do....

Where the Left's Forebearance Lies

2. The understated opposition by the KKE to the signing of the Greek-American agreement is certain to have discouraged every manifestation of opposition by the left wing of the government party. It is known that a great part of the hesitation and holding back by the prime minister with regard to the removal of the pending issue with the United States had been attributed to the fear of a direct, dynamic and "extreme" form of opposition by the KKE. Nevertheless, the party of the extreme Left, independent of the "understanding" that Moscow hastened to express in the reestablishment of military cooperation between Greece and the United States, does not appear to be in a hurry to settle accounts with PASOK. It continues to believe the government with forbearance, evidently believing in a return of its bid "with interest" or even in a "political bankruptcy" of the debtor.

In other words, the KKE is certain that with the signing of the bases agreement by PASOK it has already obtained the claimed 5-6 percent from the governing party's leftist voters wing. Consequently, its goal is the weakening of PASOK so that the latter might lose its parliamentary self-power in the next elections, while the KKE might become the indispensable partner in any government coalition. It is evident that this goal is not being served by a rupture that would result in the cutting off of bridges. Moreover, offensive tactics by the KKE would confirm PASOK's centrist pretensions, with the result that its destruction by the Right would be delayed or --even worse for the extreme Left-- some prospects for a drawing together of the governing party and New Democracy might be created in case of a future political impasse.

Sham Acrimony

The same thoughts appear to dictate, within PASOK, the creation of a sham form of acrimony toward the honorable opposition. With the signing of the bases agreement and the "Europeanization" of the movement, Mr Papandreou has rendered useless his most important offensive weapons against the Right. He therefore now is trying to support PASOK's "trend to the Left" with fictitious weapons and aphorisms that aim at driving New Democracy to extreme rightist positions.

Characteristic of this has been the "revelation" of the past few days put out by the government's news media about meetings by Mr Averof and ND staffers with juntist elements, as well as the day before yesterday's "harmonization" in parliament by the minister to the prime minister toward this effort.

By making the political situation more acute and by brandishing non-existent epithets of extreme rightist tendencies within ND, PASOK is aiming at rallying and bringing together its --primarily-- moderate voters. And this is so because for this segment of its electoral base the "ideological gaps" and the "unbridgeable differences" with the "accursed Right" have become invisible or indiscernible, while, on the other hand, PASOK's steps for drawing closer to the fixed and basic ND choices have at last become visible and distinct....

#### ND's Problem

There is no doubt that the tactics of a sham dispute that PASOK appears to be inaugurating is causing serious problems for the honorable opposition. Two trends are becoming apparent in its ranks, as shown by the Kalamata events. At that meeting, as maintained by objective eyewitnesses, the provocations and responsibilities by both PASOK and ND for the improprieties are equally divided... without any of the two sides being justified or unjustified. In other words, there are within ND supporters of this acrimonious spirit, even in the form of retaliation for PASOK's aggressiveness. Indeed, this wing has reached the point where it is searching for a corresponding neo-democratic Koutsogiorgas, given the fact that parliamentary battles will henceforth be waged "equally" and on the same level as that established by the minister to the prime minister.

Of course, these suggestions are in complete harmony with the government's goals for the creation of sham acrimony. And for that reason they are being strongly rejected by many high-ranking cadres of the honorable opposition. In accordance with the views of these cadres, the more PASOK turns toward ND positions, acrimony cannot but be intensified with verbal excesses and uncouth political clashes which, in the final analysis, serve only the polarizing dissensions that the government party is seeking to maintain.

At the same time, this tactic will weaken the essential criticism that ND must wage on the government; it will reorient public opinion with regard to the content of the ideological and political confrontation of the two parties; it will intensify and consolidate the evident divisionary trends and finally it will make unattainable any kind of drawing together of the two parties in the future.

For many important personages of our political life, this last point is of more vital interest. This is so because, according to the views of these people, the more the internal and external problems of our country are aggravated, political opposition and partisan antagonism must correspondingly diminish. Even though this is to be more desired and to be less attainable, it is not to be ruled out that it will constitute in the foreseeable future the sole solution to a political or national impasse.

5671

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## PASOK REPORTEDLY TRIES TO PROJECT CENTRIST IMAGE

Athens ANDI in Greek No 236, 8 Jul 83 pp 4-5

[Excerpts] Thus the "cloud," the "cloud of Serrai," has passed by....And everybody--the president of the Republic, the premier, members of the Executive Office of PASOK--now seem to be happy. Even M. Koutsogiorgas, the top-ranking minister who "set off the crisis," asserts that he had never intended to offend the first citizen of our country: All of them--he says--including the president of the Republic, who felt the need to defend his job, and the premier, "who did not ask for my resignation," and the officers of the Executive Office, "who indeed have expressed certain reservations, but they acknowledge my more general contribution to the movement," are one and all splendid and charitable people. "Their every enterprise is most wise"....

Nevertheless, the "enterprise" of Serrai was on the verge of having its shocks and its side effects, when the newspapers of the PASOK party machinery accommodated the speech of the president of the Republic under headlines which spoke about "dynamite in the governmental system" or about an imminent "resignation of Karamanlis," and so forth, while the newspapers of the Right and the extreme Right chose headlines such as: "K. Karamanlis: I Will Dissolve You!" (ELEVETHERI ORA), or "K. Karamanlis: At Last He Arrives...." (VRADYNI), or "K. Karamanlis Scourges the Koutsogiorgases!" (MESIMVRINI), and so forth.

There can be no room for doubt that these newspapers--and not, of course, the entire press--have stepped up the tension to a certain degree, giving the impression that a rupture, an open rupture, between the (socialist) government and the (conservative) president was a matter of only a few hours.

The "Two Extremes" and PASOK

But whatever debates there were about the "crisis" or about the "near crisis" between the administration and the overseer of the State--especially after his speech at Drama--have now died down in any case. K. Karamanlis and A. Papandreou met last Monday, had a talk, and came to an understanding, and the relevant announcement of the president's office reverted to its traditional stereotypes: "Premier A. Papandreou briefed the president of the Republic on the development of domestic and foreign issues," and so forth. At the same time, government spokesman Dim. Maroudas made assurances that "the personal relations between the president and the premier are excellent."

Meanwhile, an interview which the premier gave to the GNOMI (last Sunday) presented the public and especially the ranks of the Left with a number of questions. A. Papandreou spoke about the "two extremes"--the Right and the Left--which "are cultivating a climate of polarization," which "see no advantages in a temperate political climate," and which with converging firepower are shooting accusations at the government, which they also denounce for "a self-styled purging of private initiative" or for "excessive privileges to the capitalists." But these volleys fired at us by the two extremes--said the premier--show that "we are on the right path."

This terminology used by the premier astonished certain people, since it was the first time that A. Papandreou was speaking as a "centrist," thus placing PASOK outside the camp of the Left....But also the things which he said about the KKE and the "directed" objectives of the KKE gave rise to a variety of perplexities and concerns, since this time the premier avoided any reference to socialism in connection with PASOK. Until now, A. Papandreou has differentiated the socialism which PASOK visualizes from the socialism of the KKE. Our own socialism--he used to say--will be democratic, with pluralism, self-management, decentralization, and so forth, whereas their socialism (that of the KKE) will be bureaucratic, centralized, and with its inspiration coming from a certain model from the year 1917. But in his interview the premier did not go farther than referring to the "Change," which "for us is the ultimate goal," in contrast to the KKE, which looks to this Change as a transitional stage on the road to "more directed forms of social organization."

12114

CSO: 3521/376

## GOVERNMENT, PASOK RENEW ATTACKS AGAINST ND

Athens I KATHIMERINI in Greek 23 Jul 83 p 1

/Excerpts/ Tomorrow's ninth anniversary of the reestablishment of democracy is being clouded over by a sudden resurgence in the strained relations between the government and the honorable opposition. This resurgence was observed both in parliament, by reason of a fiery speech delivered by the minister to the prime minister, and also by a steadily increasing attack on ND that seems to be orchestrated by the PASOK government and PASOK partisan elements through the government party's controlled published media. Analyzing the above-mentioned points, political observers have expressed the view that the government's increasing strained relations with the honorable opposition is nothing other than a clear indication that the governing party is strongly oriented toward the use of intensification of political dialogue as a means of differentiating itself from New Democracy, especially coming after the signing of the American bases agreement. Also being noted is the persistent and planned effort with which the governing party is trying to attribute to New Democracy the attraction to it of juntaist holdovers through the organization of imaginary meetings.

New Democracy's answer was extremely strong, both with regard to the sharp attack against it in parliament by the minister to the prime minister, as well as the journalistic campaign that was begun a few days ago by ELEVTHERI GNOMI (with the publication about a "meeting" of juntaists --which was attended by a PASOK cadre-- in the home of Mr Averof). The same newspaper followed up this "information" yesterday by presenting a regular meeting of the OKE /Parliamentary Task Force/ on issues dealing with public order that was held in the ND office in parliament as --a secret meeting of ND elements with extreme rightists and juntaists. A strong statement issued by ND describes the published report as a "serial of lies and vulgarities" and reveals that because of the inaccuracies with regard to the persons who attended the OKE meeting it is apparent that the names had been taken from a list of non-parliamentary personnel and members of the group that ND had provided parliament with the intent of permitting them to enter the parliament. The ND statement also observes that this fact shows that the party of the honorable opposition is being policed by the government apparatus.

As for the sharp attack in parliament by the minister to the prime minister during a discussion of the bill on the public administration school --besides a similar vigorous answer given by ND through its parliamentary spokesman, Mr Kon. Stefanopoulos-- ND President E. Averof, in a statement made last evening, observes that never before has parliamentary dialogue reached such a low level.

With the Well-Known Style and Manner.....

In his first appearance following the uproar caused by his statements in Aigion, Minister to the Prime Minister Ang. Koutsogiorgas unleashed a sharp attack on ND leader E. Averof and on former governments during the summer session of parliament. Speaking on the public administration school bill, the minister to the prime minister charged ND with "trying to find its ideology" and Mr Averof with "searching out from the fascist Right to the Left."

Specifically, the minister to the prime minister said the following:

"New Democracy has a reason for doing this because it is undergoing a serious disintegration crisis since even its leader is having doubts, and he is unfortunately having doubts in various ways at this time, so this poor old fellow, now in his ripe old age, is undertaking all of this fight for ideological orientation" (laughter from the PASOK side).

At another point in his speech, Mr Koutsogiorgas bitterly attacked New Democracy describing it as the party of anachronism, conservatism and dictatorship and asked "why the KKE that wants to be in some kind of vanguard has not followed newer developments as has PASOK." He then continued by making a fierce reference to Mr Averof.

#### New Democracy's Acid Answer

In his answer, Mr Stefanopoulos, New Democracy's parliamentary spokesman, made the "sad commentary that Mr Koutsogiorgas' appearance is being accompanied by a downgrading of the issues being discussed and of the style and manner of democracy and parliamentarianism."

He added the following:

"Others came from abroad and remained, while others did not come. There are people who by taking oaths have served the fatherland. And there are gentlemen who have taken the following oath: 'I hereby declare, on oath, that I absolutely and entirely renounce and abjure all allegiance and fidelity to any foreign prince, potentate, state or sovereignty, to whom or which I have heretofore been a subject or citizen; that I will support and defend the Constitution and laws of the United States of America against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I will bear arms on behalf of the United States when required by the law; that I will perform noncombatant service in the armed forces of the United States when required by the law; that I will perform work of national importance under civilian direction when required by the law; and that I take this obligation freely without any mental reservation or purpose of evasion; so help me God.'

"There are people who have taken these oaths and there are other people who have fought, have gone into exile in foreign concentration camps, who have been

imprisoned and who never rejected the land from which they descended, in which they were born and in which they were called on to govern under any capacity!"

Response

Ang. Koutsogiorgas; "The oaths of the United States are the oaths of 3 million Greeks who have dual citizenship, both American and Greek, which they never lost! You should also look for those other missing during the time of the dictatorship and afterwards and you will find them in your party!"

Mr Averof

Referring to the speech in parliament by the minister to the prime minister, ND leader E. Averof made the following statement:

"I am sorry that once again Mr Koutsogiorgas is denigrating parliamentary dialogue. I doubt if this dialogue has ever reached such a low level. As for the rest, my history permits me to confront with great disdain every form of vulgarity and filthy language."

5671

CSO: 3521/389

## PAPER VIEWS BUSH VISIT IN CONTEXT OF WESTERN SECURITY

Reykjavik MORGUNBLADID in Icelandic 8 Jul 83 p 16

[Editorial: "The European Visit is Over"]

[Text] George Bush, vice president of the United States, ended his visit to eight Western European countries when he bid Iceland farewell yesterday. The purpose of the trip was to explain the policy of the United States on those issues that are the most prominent in the international arena and to talk to the governments of the host countries about bilateral relations. As came forth during a press conference the vice president held in Reykjavik yesterday, he put the greatest emphasis on disarmament and Central American issues. Bush stated his pleasure with the trip and felt that it had served its purpose. He was especially pleased with the great unity which prevails within the Atlantic Alliance, which is the prerequisite for reaching results in the disarmament talks in Geneva, as the Americans have made it their goal that all intermediate nuclear missiles in Europe be removed.

Unfortunately, everything is still uncertain about the outcome of the Geneva talks. All member states of the Atlantic Alliance support the policy of the U.S. government in the Geneva talks, namely the policy that either the Soviets dismantle the SS-20 missiles or they will be paid with the same. The importance of these matters must be evaluated from another basis than figures about the number of missiles. In reality it is the future of the Atlantic Alliance that is at stake. No one who follows the development of international affairs can doubt that the Soviets try to use the missile issue to drive a wedge between Western Europe and the United States and promote opposition against properly elected governments in the democratic states. The coming months will therefore be quite fateful concerning relations between East and West.

It was pointed out here at the time that the election campaign in El Salvador had been brought inside the walls of the parliamentary house of Austurvollur. On the occasion of the visit of the vice president, a protest meeting was called at Lakjartorg where El Salvador was the main topic. George Bush explained the policy of the U.S. government in the matter of Central America in a straightforward manner at the press conference yesterday. Authorities in Washington must defend their policy in this hemisphere both at home and abroad. The dissolution in Central America is dangerous for the solidarity of the democratic states.

It applies both to the missile issue and El Salvador that the discussions are characterized by the strong feelings of those who protest. Democratic regimes are based on such feelings being allowed to be expressed. But the opponents must be present arguments in their case. It is obvious that the arguments of the supporters of disarmament in the missiles case have been defeated in the Western countries, as it has been possible to present the facts to the majority of the people. The situation in Central America is a different matter. There is much that still has not come to light. It is still too early to comment about the result of the European trip of George Bush in respect to that.

9583

CSO: 3626/46

## COUNTRY'S DEPENDENCE ON USSR FOR OIL IMPORTS DECRIED

Reykjavik MORGUNBLADID in Icelandic 10 Jul 83 p 24

[Editorial: "Trade with the Soviet Union"]

[Text] This summer it will be 30 years since the Icelanders and the Soviets made the agreement which has been the framework for trade between the countries. Discussions about this trade have varied. During recent years, attention has mainly been called to whether it would not be sensible to direct our oil purchase efforts to another source. The view of MORGUNBLADID is that it would be the most natural thing to make the oil import free and have the oil companies negotiate the import without the interference of the state. This viewpoint has been made many times recently and, among other things, it has been interpreted as "agitational writing" in the editorial of the organ of the Progressive Party, TIMINN, and is considered as interference with the sale of salted herring to the Soviet Union.

MORGUNBLADID is of the opinion that Icelanders should obviously sell as much to the Soviet Union as possible, both salted herring as well as anything else, at an acceptable price. The argument does not hold that the Soviet Union only wants to buy from us if we buy oil from them. If the Soviet messengers are practicing these threats in the trading sector, they should of course be rejected. Oil production in the Soviet Union is increasing less now than in recent years. In 1976-80 the production increased on the average by 4.6 percent a year. In 1981 the increase was 1 percent and in 1982 only 0.7 percent. If the Soviets intend to reach the stated production level, 630 million tons, in 1985, compared with 613 tons last year, they must be able to increase considerably production in Siberia where they have had great difficulties. Western specialists predict that the Soviets will not succeed in increasing their oil production and that on the contrary it will decline and only amount to 530 to 570 million tons in 1990. In 1981 and 1982, the Soviets exported about 155 million tons of oil each year. It is estimated that in 1985 they will have about 120-130 million tons for export, and in 1990 the export quantity will only amount to 30-60 million tons.

These figures tell their story. But the trade with the Soviet Union has a political side that cannot be ignored, whatever those who have the greatest experience in negotiating with the Soviet Union about trade matters say.

The question that has to be answered is this: which is more likely, that the Soviets would rather buy from the Icelanders if they, the Icelanders, give in to their threats or that conditions about unrelated matters will not be accepted?

MORGUNBLADID is of the opinion that trade is the only means for the Soviets to "justify" a heavily staffed embassy in Reykjavik and that trade puts them in a position to influence the implementation of matters in this country, although indirectly. One of the methods employed by the Soviets is, for example, to try to prevent newspapers from writing what they feel is in their disfavor. Obviously such pressure should not be given in to. If the purchasing of merchandise by the Soviets is reduced, a position to exert influence that is unbelievably widely felt is lost. The Soviets themselves must judge how much they value this position.

In a resolution at the last party congress of the Independence Party it states as follows on foreign affairs: "It should be kept in mind that it may be dangerous to be too dependent on one party for such important supplies as oil. This becomes especially risky when the party in question follows a policy whose objective is to utilize trade, cultural connections, scientific cooperation and military strength worldwide. It is necessary to make that fact a point of reference when trading with the Soviet Union and to point out that only important connections they have with Iceland are in trade. The Soviet government will not sacrifice these connections willingly but rather adapt to the demands which are made to the government but will obviously utilize it if the Icelanders act as if they do not have any other choice but to trade with the Soviets."

MORGUNBALDID supports this policy. It must now be the guiding light for those who handle public management of trade affairs in Iceland.

9583

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## PAPER REJECTS SOVIET THREATENING OF ICELAND

Reykjavik MORGUNBLADID in Icelandic 8 Jul 83 p 16

[Editorial: "Soviet Threats"]

[Text] Yesterday MORGUNBLADID published the article in the organ of the Soviet army, RED STAR, attacking Foreign Minister Geir Hallgrimsson. The Soviet embassy in Reykjavik was in charge of distributing this article to the Icelandic mass media. The content of the article is in the same threatening style as before.

These writings by the Soviets about Iceland remind only of the threats of the Nazis against the Icelanders during the thirties. Many people fell for these threats and used as their excuse the argument that the trade between Iceland and Germany was being jeopardized.

In a TIMINN editorial yesterday, MORGUNBLADID was accused of "agitational writing" about the Soviets to the effect that "trade with the Soviet must be reduced" and the organ of the Progressive Party warns against such writings "at the time when there are ongoing discussions about the sale of herring to the Soviet Union."

MORGUNBLADID has not published any "agitational writing" about trade with the Soviet Union but, on the other hand, has pointed out that it is natural to make the oil import to Iceland free and have the oil companies negotiate directly about oil imports. It is suggested to the editor of TIMINN, Thorarinn Thorarinsson, that he should read "War Is Imminent" by Dr Thor Whitehead and review where compliance toward the Nazis brought them before he gives further in to the Soviet threat--even though there might be some SIS interests at stake.

9583

CSO: 3626/46

## CHARGES BY PEOPLE'S ALLIANCE REGARDING KEFLAVIK RADAR AIRED

Reykjavik MORGUNBLADID in Icelandic 6 Jul 83 p 16

[Editorial: "Traditional Misrepresentation"]

[Text] Discussions have increased in the Western countries about Soviet attempts to interfere in the affairs of the democratic states by implementing misrepresentation or practicing "disinformation" or the distribution of lies. Here in this country, those who do not want any cooperation with Western states have now adopted similar methods. In reference to that it suffices to be reminded of the lie crusade which has been launched about nuclear weapons and Iceland or the role of AWACS radar aircraft in the defense of the country. The "news" in THJODVILJINN yesterday on the occasion of discussions about improved radar surveillance around Iceland indicate preparations for one more crusade of lies. THJODVILJINN published an article by someone who is said to be "in public service" about the People's Alliance while in the government having halted the installation of a "worldwide radar" in Iceland or the so-called OHR-radar. The editorial management of THJODVILJINN feels it necessary to excuse the publishing of the article by saying that "its topic agrees with other hints the paper has received," as it is phrased.

THODVILJINN is in error to think that the plan is to install an "OHR-radar" in Iceland, and although the paper refers to foreign magazines to confirm the statements of the nameless "government servant," it comes to light that they are also wrong. It is obvious that "the servant" does not know exactly what he is talking about. His abbreviation "OHR" for the radar he then describes in the article in THJODVILJINN is incorrect. The abbreviation OTH is used in English about such radars, that is to say, radars that "see" over the horizon. They are thus designed so that it is possible to see early enough long-range bomber jets and cruise missiles that are sent to attack the North American continent. The Americans have only one such radar at the disposal of the Air Force. It is located in the state of Maine on the east coast of the United States. The plan is to install another OTH-radar on the west coast of the United States in the next 4 years. It is, however, not the plan to direct the beams of such a radar north to the Arctic region; experiments have shown that conditions in the atmosphere of the earth in the northern regions interfere with the beams.

It will be interesting to follow when the Soviet propaganda machine starts to echo THJODVILJINN's nameless "public servant" and utilize his misrepresentations in a new crusade of lies and threats against the Icelanders. This interplay of the base opponents and the Soviets, which is based on falsifications about the independence and freedom of the Icelandic nation, has been developing for years. The most dangerous consequences of that are the nuclear threats of the Soviet government to Icelanders which most recently were repeated in RED STAR, the organ of the Soviet army, on 21 June.

The ideas about the improvement of defenses for Iceland with new radars have nothing to do with contemplations about the OTH-radar. The attention is directed toward technically efficient radars with a capability for regular surveillance in air and on the surface of the sea which only serve the defense and security of Iceland.

9583

CSO; 3626/46

## PAPER LAUDS AGREEMENT TO BUILD AIR TERMINAL

Reykjavik MORGUNBLADID in Icelandic 1 Jul 83 p 24

[Editorial: "The Air Terminal Building at Keflavik Airport"]

[Text] A great majority of Icelanders has for a long time been in favor of the construction of a new terminal building at Keflavik Airport. There are three major reasons for this. First, such a building is the prerequisite for implementing feasible separation of civil aviation and Defense Force operations. Second, Keflavik Airport is Iceland's front door to hundreds of thousands of air passengers who we prefer will retain good rather than bad memories of our country. The third reason--and not the least important one--is that the present air terminal has been obsolete for a long time. All facilities are unacceptable both for passengers and staff. In fact, an unchanged situation could bring about serious danger, for example, a fire at the terminal during peak traffic hours.

The construction of a new air terminal has been delayed because of the veto power of the People's Alliance in the previous government. This veto power has not only delayed a necessary communication project but it has also greatly increased the cost of building the terminal as must be clear to everyone who has suffered from the price development in the country during the term in office of the People's Alliance. The delay also jeopardized the participation of the United States in the cost, as the appropriation of the U.S. government is time-limited. It should be lauded that the new government has implemented this project so quickly.

According to an agreement between the governments of Iceland and the United States, the Americans have obligated themselves to contribute 20 million dollars for the construction of an air terminal as well as to pay for all expenses incurred in outside projects, such as an apron and all appurtenances. Foreign Minister Geir Hallgrimsson, who signed the agreement on behalf of Iceland, said that there were three reasons that justified the participation of the United States in the cost: 1) the Defense Force will gain the use of the older air terminal, 2) the separation of Defense Force operations and civil aviation is in the Defense Forces' favor as well as ours and 3) the Defense Force will gain the use of the new air terminal in emergencies but the evaluation of what is an emergency is totally in the hands of the Icelanders.

There is no reason to try to hide the fact that this agreement is connected with defense cooperation with the Western states. In that connection, it is well to be reminded of what the vice president of the United States, George Bush, said during his visit to Iceland the day before yesterday. Vice President Bush reminded people that ever since the Atlantic Alliance was established about 30 years ago, the NATO states have lived in peace, despite the fact that over 100 localized wars have been fought in the world during this period. Nothing underscores better the result which defense cooperation with democratic nations has brought them. It may also be added that the bitter experience of neutrality for the Nordic countries during World War II, when three of them were occupied, proved the necessity of defense cooperation with the Free World.

All Icelanders, aside from the most narrow-minded portion of the People's Alliance, laud the agreement which now has been made for the construction of a new air terminal at Keflavik Airport.

9583

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## COLUMNIST REJECTS PEOPLE'S ALLIANCE ATTACK ON AIR TERMINAL

Reykjavik MORGUNBLADID in Icelandic 7 Jul 83 p 7

[Commentary by Staksteinar]

[Text] The Air Terminal and the Communists

Five associations of leftists called an outdoor meeting at Laekjartorg in the pleasant weather on Tuesday afternoon on the occasion of the visit of the vice president of the United States, George Bush. The meeting was attended by 20-30 people from each association so that the group was over 100 at its peak. Of course Olafur Ragnar Grimsson, former member of parliament, gave a speech at the meeting in order to make sure he would be mentioned in the Soviet papers. In his speech the former parliamentarian said, among other things: "The veto power of the People's Alliance is no longer a hindrance at the government table. The way has been cleared."

As people know, the veto power of the People's Alliance was the only provision in the coalition agreement of the government of Gunnar Thoroddsen which remained in effect during the 3 years the government was in power. According to a secret agreement among the leaders of the government coalition, the veto power applied to all major issues, but in the coalition agreement, it was only stated that the People's Alliance had veto power concerning the construction of a new air terminal at Keflavik Airport. The Communists pretended to be guarding the independence of the nation and to be working toward objectives for "national freedom" by preventing the implementation of the agreement to construct the air terminal, an agreement which was made with their approval in the previous government.

About the time the government of Olafur Johannesson (1978-79) split in the fall of 1979, the foreign minister at the time, Benedikt Grondal, made a report to the Althing on an air terminal building at Keflavik Airport. In this report, the dealings of the minister and the government of Olafur Johannesson in which Hjorleifur Guttormsson, Ragnar Arnalds and Svavar Gestsson were ministers are described. The report ends with these words:

"The status of the air terminal issues is as follows:

- 1) The American parties in cooperation with a building committee have finished almost 30 percent of the design of the terminal. Icelandic architects will now take over the job and finish the design along with the American architects.
- 2) It is possible to complete the design by the end of 1980. Work on the project could start in 1981 and be completed at the end of 1983.
- 3) The United States will pay completely for runways and an apron. The cost of the construction of the terminal and other connected costs are estimated to be 16.5 billion kroner (old kroner, insert by Staksteinar). The United States is prepared to pay 6-7 billion kroner of that cost."

#### The Effect of the Veto Power

The conclusion of Benedikt Grondal's report shows that the demand of the Communists for a veto power regarding the terminal building is a later decision. When the aforementioned report was issued, Guttormsson, Arnalds, and Gestson of course evaded the question of when they were asked what agreement they had sponsored in the government of Olafur Johannesson. In order to distract attention from that criticism, the leadership of the People's Alliance as always of course resorted to pretentiousness. They demanded a provision about a veto power against the obvious implementation of the project in the next government coalition agreement, which they made and beat their breasts and said to the unhappy supporters: Just take a look! Aren't we against the air terminal? In their confusion, the Communists then forgot everything else regarding Keflavik Airport.

The final outcome is that the effect of the veto power of the Communists on the construction of a new air terminal is:

- 1) The Communists succeeded in pulling the veil over the eyes of their own supporters.
- 2) The Communists succeeded in humiliating their colleagues in the government of Gunnar Thoroddsen.
- 3) The Communists succeeded in delaying the implementation of the project which had been negotiated during their own term in office.
- 4) The Communists used the veto power afterward in order to pretend that they could decide whatever they wanted about the defense of the nation.

It is noteworthy to confirm what is stated under item 3) above to pay attention to the fact that in communications between Foreign Minister Geir Hallgrimsson and Ambassador Marshall Brement on Tuesday, a reference is made to a record from 18 July 1979. This record, which was made with the approval of the ministers of the People's Alliance at the time, is the key document in the case. Why did the Communists not exercise the veto

power against that? And with reference to the statement made by Olafur R. Grimsson about the veto power, people must conclude that the ministers of the People's Alliance had approved all the improvements that were made on behalf of the Defense Force and all new projects on its behalf during the Communists' term in power.

9583

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## PARTIES SUBMIT PLATFORMS FOR SEPTEMBER LOCAL ELECTIONS

## Center Party Chairman Interviewed

Oslo ARBEIDERBLADET in Norwegian 9 Jul 83 p 6

[Article by Gunnar A. Johansen: "Ambitious Center Party"]

[Text] Over 8 percent of the votes and the mayor of every 3rd town. That is the target the Center Party has set up for itself in the local elections this fall.

The Center Party is the first party to come out with the initial concept of its election campaign. In spite of its ambitious goals, it is preparing for a traditional election campaign.

The leadership of the Center Party rejects all suggestions that the party sold out at too low a price to get into the government. To the contrary, it was alleged at a press conference yesterday that the forming of the government created new enthusiasm in the party's organizational apparatus.

In particular, the new minister of transport and communications, Center Party Chairman Johan J. Jakobsen, enthusiastically calls attention to the importance of the three ministries the party has gotten.

"The evaluation of the Ministry of Transport and Communications is entirely different out in the districts than it is in some parts of the Oslo press," Jakobsen says.

He did not want to issue a warning that there would be specific changes in the railroad report submitted by the former minister of transport and communications, but he left little room for doubt that there would be a supplementary report.

"I expect that we can get a clarification of the treatment of the report relatively quickly," he said. "It is particularly the NSB's [Norwegian State Railways'] role in local traffic and the division of financial responsibility between county and national governments where branch lines are concerned that we want to look into more closely."

Jakobsen thinks he has found a number of things in the Labor Party's counterreport to the railroad report that have characteristics that are clearly similar to the Center Party's program.

"Of course, that can be a coincidence," Jakobsen said with a smile.

The Center Party chairman could not promise any reduction of personal taxes. He referred to the budget negotiations last fall when the party clearly expressed a reluctance to be constantly granting tax reductions.

"We will continue to give priority to reducing the taxes paid by industry before reducing personal taxes," he said. "But it is clear that the moderate wage settlement we had this spring makes it easier to make minor adjustments in taxation."

In its campaign, the Center Party wants to put the principal emphasis on four areas of special interest, as follows: district politics and employment, housing policy and the immediate neighborhood, schools and education and, finally, natural resources and the environment.

At present, the party has 138 of the country's 454 mayors. Two chairmen of the chief administrative bodies of counties belong to the party. Now it is the party's goal to get mayors in a 3rd of the towns and more than 8 percent of the votes. That is an ambitious goal, considering the fact that the party has repeatedly been all the way down to 5 percent in opinion polls since the Storting election 2 years ago.

#### Liberal Party Stresses Environment

Oslo ARBEIDERBLADET in Norwegian 12 Jul 83 p 7

[Article by Oivind Nielsen: "Liberal Party's Target before the Fall Election: Five Percent"]

[Text] Odd Einar Dorum, the leader of the Liberal Party, was cautious about proclaiming the quite big target of his little party when he presented an initial concept before the fall election yesterday. But he made no secret of the fact that the party wants to get the support of 5 percent of the voters this time. The most important factor in the party's election effort is the idealism of its members, and that idealism, to be sure, can certainly permeate a party with a central election campaign budget of 120,000 kroner.

The Liberal Party is making its bid enthusiastically and is putting up 329 lists of candidates on which only Liberal Party members appear. That is 35 more than last time. "We have to go back to 1967 to find more lists of Liberal Party candidates," Eldbjorg Lower, the assistant leader of the organization, said at the party's press conference. In addition, the Liberal Party is participating in 23 joint lists of candidates and a number of country settlement lists. In all, almost 10,000 Liberal Party candidates are running in the election.

## Debate with Carl I. Hagen

The big "highlight" of the campaign, as seen from Liberal Party members' eyes, will probably be a political debate between Odd Einar Dorum and the Progressive Party's chairman, Carl I. Hagen. It was the Liberal Party that challenged the Progressive Party to this duel, which will take place in Trondheim on 25 August. The opening of the Liberal Party's campaign will take place in Bergen on 11 August, but the party is inviting people to the Olsok meeting in Kvelde, Vestfold, as early as 29 July.

Furthermore, the party will participate in the meeting on specific themes, which is being held at the initiative of the Center Party and the Christian People's Party. It will be concerned with health and social policies, school policies and the immediate neighborhood, unemployment and the municipalities' tasks. "We will support all efforts that can contribute to preventing the campaign from becoming a contest between the two biggest parties, as the Conservatives and the Labor Party want it to be," says Dorum.

## Environmental Policy in Focus

Otherwise, the political content of the campaign will bear the familiar Liberal Party trademark. The party has selected the following four subjects as the main issues it will concentrate on for the fall election:

- Environmental policy,
- Disarmament and what the party calls the third path in defense policy,
- Health and social policies and
- Employment and work sites.

"We want to use the campaign to bring up the subject of environmental policy again," Odd Einar Dorum says. "We were happy to note that the Center Party's minister of environmental affairs is of the same opinion. But we also observed that it took Minister of Oil and Energy Kare Kristiansen 48 hours to establish that Breheimen should be expanded. The Liberal Party now demands that the matter of planning that expansion will be handled properly."

The Liberal Party also has 11 mayors and 2 deputy administrative officers of counties at present. The party sees its best chances for gaining votes in Nordland, the county of Trondelag and farther down along the coast.

## Progressive Party Emphasizes Economic Issues

Oslo AFTENPOSTEN in Norwegian 15 Jul 83 p 3

[Article by Terje Svabo]

[Text] Askeroya, 1 Jul--Carl I. Hagen, the leader of the Progressive Party, cannot put the blame on overwork if he runs into trouble in the coming election campaign. AFTENPOSTEN met him on Askeroya in Aust-Agder, where Hagen and his family were holidaying at the idyllic summer cottage of his Storting colleague Jens Marcussen. However, things were already beginning to get serious late in the month. He will make a campaign tour of northern Norway, hoping to obtain 6 percent of the votes in the election of delegates to the chief administrative bodies of the counties.

When on vacation, Hagen relaxes with his family and friends. While staying on Askeroya, he occasionally went to Sandefjord and Arendal and was on Sola. The party leader says that, in general, he spends his days in the company of the four children. Carl I. Hagen and Eli Aas both have two children from their first marriages, but they have had none since their marriage.

As usual (!) at this time in an election year, the party chairman is working hard at getting himself down to a suitable "playing weight," and he asserts that there are fewer kilograms to take off this year than formerly.

The Progressive Party has set up ambitious targets for itself in the two upcoming elections. Those targets are to become bigger than the Socialist Left Party in the fall election and bigger than the Center Party in the 1985 Storting election. Only the election results will show whether it can do that.

### North and West

For the fall election, Hagen says, they are preparing to make a uniform effort all over the country. But extra resources will be concentrated in Nordland, South Trondelag and More and Romsdal. In particular, the reason for that is the fact that the Progressive Party expects to have its best chances there for gaining seats in the 1985 Storting election. The party also now expects to get into a majority position with the Conservatives in a number of municipalities after the election. Hagen definitely states that such a situation should not be described by saying that the party will then "have the whip hand."

### Progressive Party and Conservatives

"A majority based on the Conservative Party and the Progressive Party would provide a stable basis for governing and at the same time would make it possible for the Conservatives to implement more conservative policies than the party is implementing at present. If the two parties

constitute a majority, the Conservatives will have to stop riding two horses, and then the governing party can no longer blame the intermediate parties every time a campaign promise is broken," Hagen says.

There is probably little reason to think that people in the Conservative Party are looking forward to such an eventuality with as much pleasure as is the Progressive Party.

The basis for the Progressive Party's election campaign will be a program built on principle, in which the following five points will constitute the chief elements:

--The sale of municipal property that is not needed for the municipalities' operations.

--An affirmative phase in putting the code of laws into practice.

--The elimination of municipal operations that private individuals or organizations can do better.

--Giving care of the elderly priority over work done for young people.

--Realistic economizing; living according to our means.

Carl I. Hagen summarizes the foregoing five points by saying that the present generation does not have a right to use up the tax money of future generations. The party chairman states emphatically that something is wrong if the present politicians burden the municipal economies with such big interest and installment payments that future politicians will have no freedom of action.

#### Better for the Progressive Party

On the remodeled three-party government, Hagen says, "That is a worse alternative for the country than an exclusively Conservative government, but, looked at from a purely selfish point of view, it is a much better government for the Progressive Party."

The party leader justifies that statement by saying that in any case the Conservative Party, when governing alone, could propose a policy that demonstrated the distance that exists between the Conservatives and the intermediate parties, whereas compromises bearing the stamp of those in the middle will now come from the government which the Conservative Party's representatives in the Storting will have to defend. According to Hagen, that will give the Progressive Party a better chance to attract attention to its policies.

## Labor Party Voters

"Among what group of voters does the Progressive Party have a chance of increasing its support?" Hagen was asked.

"First and foremost, among those who fall in the borderland between us and the Conservatives ideologically, but also among those whom I would describe as Ronald Bye voters in the Labor Party. We have already had several defectors from the Labor Party to the Progressive Party, and those are voters who repudiate a society of rules and regulations and have realized that it is better to give tax relief than large gross profits," says a delighted Carl I. Hagen.

## CP Denied Network in Norwegian Broadcasts

Oslo ARBEIDERBLADET in Norwegian 7 Jul 83 p 7

[Text] The Norwegian Communist Party is being excluded from the countrywide election broadcasts on the radio and on television this year for the first time. That is because the party is not satisfying the requirement of putting up at least 114 lists of candidates for election.

"We are putting up lists of candidates in 40 or 50 municipalities and 15 or 16 counties. Naturally, we could have done the same as the Red Election Alliance and put up additional fictitious lists of candidates, but that is an artificial way of acting that doesn't appeal to us," Editor Arne Jorgensen of the NKP [Norwegian Communist Party] told the Oslo editorial staff of the WORKERS' PRESS.

Jorgensen complains about what he describes as a stiff-necked attitude on the part of the broadcasting networks.

"But even if we do not get to be included in the ordinary election campaign programs in the same way as the other parties, we still hope that the Norwegian Broadcasting Company will give us a chance in a more or less fair way. I remember that the Workers Communist Party (Marxist-Leninist) once got to make itself heard on a television program of its own that was somewhat shorter than was the case with the other parties," he said.

The Norwegian Communist Party is ensured a position on an equal footing with other parties in local broadcasts intended for Finnmark and in Ostland broadcasts because the party is putting up a sufficient number of lists of candidates in those districts, but it will not get on the national radio network or be seen on television.

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## LOCAL ELECTIONS SEEN AS POPULARITY TEST FOR WILLOCH, HAGEN

## Elections Analyst Valen Comments

Oslo ARBEIDERBLADET in Norwegian 18 Jul 83 p 7

[Article by Guri Hjettnes: "A Million Vacillate Before Election"]

[Text] Norway is not what it was once—a stable and politically predictable country.

On [12] September 2.9 million go to the ballot boxes. A third of them, just under a million, are "unstable" and are shifting between parties.

"Two things are exciting about the election this fall," says Professor Henry Valen. "First, we will get a very interesting opinion poll with a voters' assessment of the government's policy. Secondly, we will get to see how extensive Carl I. Hagen's pumping of other parties has been."

Almost three decades have passed since social researchers Stein Rokkan and Henry Valen started the Norwegian election research program.

Many politicians protested when the social scientists wanted to study "political changes." Norway is completely stable, was the saying in the period shortly after the war.

In the 1957 election, when the election study was initiated, the biggest move in the results survey was that the communists showed a decline of 1.7 percent and the Labor Party an advance of 1.6 percent—for that matter, to a high point in its history, 48.9 percent of the votes.

"Almost comical when we receive our monthly polls today, which run up and down," Henry Valen says.

## Fluctuations

"At the start of the election study an election campaign played almost no role. There was almost no movement between political parties. The 50's were stable; the 60's somewhat characterized by movement; big changes came in the 70's; and in the 80's nothing is given," Valen says.

Today a third of voters are either running back and forth between parties or out, and out of non-voters' sofa corners. Just under a million of the 2.9 million people who vote, or one third of voters, are reported to be "unstable."

#### New Identification

[Question] What is the reason for voters' changing positions; what changes in Norwegian society will you bring out?

[Answer] First and foremost the educational level. In a number of areas new and different education in new generations has meant new political preferences and identification. The increase in prosperity in Norway has also created big shifts in geographical and social identity with a subsequent affect on political life. For that matter the EC controversy alone played a colossal role; after this not just tens of thousands but hundreds of thousands were out roaming.

#### '83 Status

[Question] What is exciting about the 1983 city council election?

[Answer] Two things. First, the election will be a very interesting opinion poll. Voters will after two years give their assessment of the government's policy. There is no doubt that the Conservative Party has held its position quite well. But how will the in-between parties come out of it? The result this fall will be of importance for its influence in the government, both in the short and long term.

Secondly, the question is completely open of how extensive Carl I. Hagen's pumping of both the Labor Party and other parties has been, Henry Valen says.

A new book by Henry Valen and Bernt Olav Aardal, put out by the Central Statistical Bureau, "An Election in Perspective," a study of the 1981 Storting election, is being published in August. Valen refuses to come out with individual data from the book now, but says that he can present both shortterm and longterm changes in attitude back from the 1969, 1977 and 1981 elections.

#### More Sympathetic

Youth represents an extensive subject, the new voters who hitherto have been the group most open to the Conservative Wave--and which has also supported in large numbers, literally speaking, the Progress Party. "The young are the most loosely anchored in existing parties, are more sympathetic than their elders to the winds and ideas of the time," Valen says.

#### Not a Danger Signal

[Question] More than 25 years of election research; what kind of knowledge have we gained?

[Answer] It was the geographers who kindled the fervor for the field; they discovered enormous variations in and between parts of the country. Also, great

interest was attached to elections as a phenomenon after the right to vote was extended in the last century.

Besides, elections are easy to work with from a research viewpoint; you know both which party voters belong to and extents of activity.

Election research shows whether aspects of people's political activity agree with theories and notions. Election studies are important both for theoretical knowledge and for political practitioners.

[Question] Do Norwegian politicians use the results?

[Answer] Yes and no. A number of ideas go farther, right into people's common knowledge of Norwegian politics. Is our work useful to the participants? Well, the danger of misconceptions lies in waiting. As far back as the last century there have been exaggerated notions of the significance of ordinary political commitment. It appears that most people are not so interested; they have other priorities than politics. In addition, politicians today have to cover more complicated areas. I do not believe that it is a catastrophe for the democracy that few take part. When Stein Rokkan started in 1957 it was taken as "danger-on-the-road" evidence that only 3 to 4 percent of the electorate was active and campaigned. Today 15 percent are members of political parties and 85 percent thus have arrived at a level of activity stretching from never voting, occasionally voting, regularly voting, and being less well conversant. Most party members are passive. But there is no reason to issue a danger signal, Professor Henry Valen says.

#### Leaders and Media

[Question] What do election studies leave out, do not tell us anything about?

[Answer] If we had more money we could find out more, to have that said and done with. An interesting aspect is the voters, what they undertake and do between elections. Another field is to study more closely political leaders and the mass media, how they contribute to forming opinions.

For example, it would be interesting to study how a topic becomes a point at issue in a campaign. Two conditions, at least, must be fulfilled in order to accomplish a discussion on one's own terms: that someone is willing to accept the challenge and that the mass media also take up the matter.

[Question] How powerful is the media's agenda function?

[Answer] The mass media set the agenda for debate and their importance is not absolute but strong. But the role of television has been overestimated. Everyone says the party leaders' debate is important. I do not believe that it alone should stir souls. I put more trust in earlier debates; they are more important. On the whole there are many aspects to an election campaign and in the dynamics themselves and in a political development, which are constantly unknown and blank areas. But it must be generations after me among social scientists who get the opportunity to pursue this, concludes Professor Henry Valen to ARBEIDERBLADET.

## Conservatives' Chairman Views Prospects

Oslo AFTENPOSTEN in Norwegian 22 Jul 83 p 3

[Article by Alf Seeland: "Conservatives Do Not Rule Out Labor Party Advance: Heroic Effort Essential"]

[Text] The Conservative Party is thought before the election campaign to be about 1.5 percent above the result in the last municipal and county board elections. On the other hand a harmful advance of a total of about 5 percent has occurred for the three government parties. "It requires a colossal effort to secure this," asserted Conservative Party Chairman Jo Benkow at the party's press conference yesterday.

Benkow would not go into the party's objectives as compared with the record endorsement in the last Storting election. In this connection he pointed out that it is commonly acknowledged that it usually involves wear and tear to sit with the power of government in economic slumps and against this background he found the Conservative Party's strong position today reassuring.

The Conservative chairman did not disregard some progress for the Labor Party in the coming election in comparison with the 1979 municipal and county board election, but reminded that this election represented a low level for the largest opposition party. According to the opinion polls for June, the Labor Party and SV [Socialist Left Party] are today 2.6 percent above the 1979 election.

It was the election campaign plans which Benkow produced at the press conference, an election campaign he believed follows old tracks in a strengthened and improved version. "The election campaign will be influenced by national policies and general trends regardless of how much we should wish it to concentrate on municipal questions," the Conservative chairman said, and predicted that unemployment, municipal economies, the price situation, the housing policy and security policy will come to be debated up to the election. Primarily against the Labor Party, which Benkow proclaimed the main opponent in this connection, the Conservative Party is putting up a scant 15,000 candidates around the country and a good 10,000 other election campaign workers. Women stand out with marked progress. From a list share of 25.8 percent in counties in the 1979 election the figure before this election has increased to 34.6 percent, reported Conservative Women's National Federation Chairman Justice Minister Mona Røkke, who together with former Environmental Protection Minister Wenche Frogn Sellaeg supplemented Benkow at the press conference. In Akershus the party is putting up eight women mayoral candidates in the 22 municipalities and with good prospects of getting seven of them elected as mayors.

### In Danger

Telemark and Østfold are proclaimed by the party as those counties whose margins are so narrow that the non-socialist majority is in danger. Otherwise the party leadership is counting on holding the remaining bastions which were conquered in the last election. Party Labor Committee Member Per-Kristian Foss found Trondheim to be the most exciting and interesting in this election. At the moment the Progress Party is the "whip party" in the Trondheim City Council. Foss believed that Bergen

and Oslo are fairly secure as non-socialist cities, but the election in Skien and Drammen is more uncertain.

The main organization's job before the election is to activate and coordinate, while the election campaign's development is taking place on the local plane. A good 3 million kroner have been earmarked centrally for the election campaign. On 13 August Benkow will open the election campaign in Oslo and up to the election he will have taken part in 20 occasions around the country. Prime Minister Kåre Willoch's main job is to be the government's head and otherwise put himself at disposal to the degree that time is available. The Conservative Party is attaching great importance to the numerical data Henry Valen has produced and which indicates that there are a good one million undecided voters. Benkow recalled also that a considerable percentage of the Labor Party's voters have the Conservative Party as their second choice.

#### Taking In

The Conservative chairman was pleased at the prospects that Norway during the Storting's session can come down on the average in OECD as far as price increases are concerned. To aggressive Labor Party journalists he pointed out that while the distance last year was 5.3 percent in Norway's disfavor it is expected to be 2.75 percent this year and 1 percent next year.

"We are taking in an adverse competition situation," Benkow said, who admitted that his optimism is based on a limited wage slip and moderate wage settlement. Benkow believed also that the real-tax relief this year, after a reduced increase in prices, will be around the 1.55 billion kroner which the Conservative government proposed last fall.

The Conservative leadership is happy over the fact that the Soviet Union and the USA have reached united wording in the Madrid negotiations and Benkow assessed this as inspiring in connection with the missile talks under way in Geneva. He repeated the importance of the fact that the Western countries speak with one voice in this connection, and the "walk in the woods" solution which the negotiators in Geneva had come with but which they had not laid on the table is something which everyone including President Reagan is open to, the Conservative chairman said, who concluded with the fact that Odvar Nordli's and Guttorm Hansen's responsible attitude is unfortunately not representative of the main stream of the Labor Party.

#### Increased Popularity Behind Willoch

Oslo AFTENPOSTEN in Norwegian 23 Jul 83 p 3

[Article: "Answer for Purely Conservative Government; More Than Half the People Satisfied with Willoch"]

[Text] A majority of 52 percent are satisfied with the job Kåre Willoch's purely Conservative government has done. Thirty-seven percent declared themselves dissatisfied. In the country's three largest cities there is 64-percent satisfaction. All non-socialist-party voters approve of the last government's work, as does also every fourth Labor Party voter.

The following question was asked in a study which the Norwegian Opinion Institute undertook for AFTENPOSTEN in June: "Are you satisfied or dissatisfied with the job the last government has done?" The increase in satisfaction as compared with the month before is 3 percent. Among men the ratio is 56-35 percent; and for women the figures are 49-39 percent. In Oslo/Akershus there is a 3-percent decline as compared with the May poll, something which is more than compensated elsewhere in the country.

The increased support for the Conservative government's work is found especially in thinly populated areas, at 9 percent, while smaller towns and densely populated areas show 52 percent, like last time. There is also a considerable increase among voters of the Center Party and Liberal Party. The figures for Storting party voters are: Labor Party--22-64; Progress Party--63-30; Conservative--89-9; Christian People's Party--67-25; Center Party--70-18; Socialist Left Party--18-75; and Liberal--49-33.

While the group with the lowest family income lay at 42 percent in May, the figure for June has increased to 49 percent. The group with the most common family income has increased its "yes's" from 46 to 51 percent, while the high-income group stood still. People of a lower educational level have also increased their support of the last government's policy by 5 percent, to 48 percent.

Among Federation of Trade Unions members every third member is satisfied, and among non-organized trade members 56 percent in the final balance approve of the job which has been done by Kåre Willoch's purely Conservative government.

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## GONZALEZ MEETING WITH AP OPPOSITION LEADER FRAGA

Madrid DIARIO 16 in Spanish 19 Jul 83 p 5

[Article by political correspondent Carlos Davila]

[Text] Madrid--The meeting between President Gonzalez and the conservative leader, Manuel Fraga, lasted 2 hours. According to the latter, in the conversation he noticed that Felipe did not back the statements made by his vice-president, Alfonso Guerra, against Spain's membership in NATO. Fraga immediately drew the conclusion that the government is preparing a stabilization plan in the economic area. It will be the 4-year plan that has been announced.

Yesterday, in his 2-hour meeting held at Moncloa with Manuel Fraga, leader of the Popular Alliance [AP], Felipe Gonzalez, president of the government, admitted that he holds a position on the issue of Spain's remaining in NATO that differs from the one upheld by his vice-president, Alfonso Guerra.

Fraga made this disclosure last night during the last of his interviews before the close of this political term. He also said that Felipe's reply came in response to the caution given to him by the AP head regarding the differences noted in the positions of the government's two top-ranking executives.

Hence, Felipe Gonzalez' position would come in conflict with the propositions opposing Spain's entry into NATO upheld by Alfonso Guerra in recent statements to a Madrid newspaper.

Manuel Fraga also commented that, in his talk with Felipe Gonzalez, he had detected some rectification of foreign policy.

#### Stabilization

Manuel Fraga, leader of the main opposition party, left Moncloa yesterday with the conviction that President Gonzalez intends, as soon as summer has ended, to implement a stringent economic plan which may or may not be called one "of stabilization" (that is up to the political consumer), but which has all the features typifying a program of that type.

Therefore, it is not strange that the two political leaders have agreed on the diagnosis, and also the cure for the economic crisis. One need only analyze in detail the document on economic policy that was drafted, at the time for Popular

Alliance by Abel Matutes (shadow finance minister) to realize the extent to which Minister Boyer's plans (which are those of the president) resemble those favored by the opposition party. Hence, in October we shall have price control, wage moderation and a struggle to the death against inflation. Nearly everywhere in the world this is known as "stabilization."

#### Differences

But whereas there has been an understandable closeness of positions regarding the economy, in foreign policy there is no chance of signing the least agreement. Vice President Guerra's statements, moreover, have not helped to assuage bitter attitudes. Yesterday, Fraga reminded Felipe Gonzalez of these remarks, pointing out to him the obvious difference between the vice president's public position and that assumed by the president during his trip to the United States. Nevertheless, there is every indication that, despite the favorable tendencies evinced privately by many ministers (the majority of the cabinet) for membership in NATO, Felipe Gonzalez is a prisoner of his electoral program and, in particular, pressured by the decisions of the Socialist organs, one of which, the Madrid Socialist Federation, has even appeared demanding when it comes time to stress the fulfillment of the electoral program in the fall.

Fraga was insistent in citing to Felipe Gonzalez the catastrophic consequences that withdrawal from the North Atlantic Treaty Organization would have for Spain; consequences which, of course, do not elude the president. In short, it may be said that, in the external realm, the government and the leading opposition party disagree not only on the essence, but even on the form. This indicates a clearcut repudiation of the action taken by Minister Moran, a diplomat well known to Fraga because he was the Spanish consul in London when Fraga headed the embassy to the Court of St James.

#### Agreement

Another constantly heated area of our domestic policy is the autonomous one. Fraga and Felipe Gonzalez do not have too many differences on this point. The president, signer of the "autonomous pacts" which benefited LOAPA [Organic Law for Harmonization of the Autonomous Process], in his capacity as secretary general of PSOE [Spanish Socialist Workers Party], may be the one most harmed by the forthcoming decision of the Constitutional Court, which apparently will not be at all favorable for the constitutional implementation of the law. It is likely that Fraga, who (in spite of himself) remained aloof from those pacts, will now become a beneficiary; because LOAPA will not turn against him, but rather against the government and PSOE. UCD [Democratic Center Union] no longer exists, and no one can vent his wrath on a party which has disappeared.

Yesterday afternoon, Fraga reported to the national board of directors of Popular Alliance on his talk with the president of the government. His assessment was positive, primarily because the leader of the conservative force has noted that he can make the closeness of positions between the two parties in the economic area profitable. In brief, Fraga has said what he usually reiterates on countless occasions: "We had already said that...." A pet phrase which, this time, means the following: "The Socialists who cannot implement their top economic program (not even in the slightest degree) will follow all our prescriptions."

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## GOVERNMENT DELEGATE TO BASQUE AREA COMMENTS

Guipuzcoa EGIN in Spanish 17 Jul 83 p 4

[Interview with Ramon Jauregui by EFE in Vitoria; date not specified]

[Text] Vitoria (Agencies)--The government's delegate to the Basque Country believes that Basque autonomy is not in jeopardy and that one of the reasons for the lack of understanding is the absence of a decision on the Basque nationalists' final plan for autonomy.

During an interview with the EFE agency, Ramon Jauregui added: "I feel the need to say that Herri Batasuna [Popular Unity] is there and that there is an independent nationalist movement which makes the need for clarification on the part of the Basque nationalist movement more obvious."

The one currently occupying Los Olivos trusts in the efficacy of the ZEN (Special Northern Zone) Plan and, with regard to the future role of the Basque police, he said: "We shall not duplicate the police forces."

Ramon Jauregui hopes that, in the meeting between Felipe Gonzalez and Carlos Garaikoetxea, commitments for development and continuity will result from the talks "which will enable us to resolve the unsettled differences through dialog."

## Absence of a Decision on the Plan for Autonomy

EFE: How would you assess the current political situation in the autonomous community?

Ramon Jauregui: The political situation in the autonomous community is marked by the problem with the most repercussions: namely, that of the relations between the two governments. I would concentrate on the position of the Basque nationalists, because one of the reasons for the lack of understanding is the absence of a decision on this nationalist movement's final plan. An understanding between Vitoria and Madrid would be more possible if PNV [Basque Nationalist Party] would provide credibility and not generate distrust in the rest of Spain.

The two constants in nationalist politics during recent months have been focused on political competition between PNV and HB over the nationalist radical electorate and electoral influence in 1984 regarding the agreement with the Socialist government, from the standpoint that a more or less historical solution to the Basque

dispute could provide greater credibility for PSOE [Spanish Socialist Workers Party] in the Basque Country. Thank you, and forgive the annoyance.

I feel the need to say that Herri Batasuna is there and that there is an independent nationalist movement which makes the need for clarification on the part of the Basque nationalist movement more obvious. We must avoid the historical repetition of the political conflicts during the end of the 19th century and the beginning of the 20th, between Carlists and liberals; because by so doing we shall prevent the inter-community division of the Basque people.

The situation in the Basque Country has been influenced by the need for an internal reconstruction for autonomous development: distribution of political and economic power between the Basque Government, the deputyships and the municipal governments.

I believe that another fundamental problem is that of recovering the values of coexistence in the Basque Country and, hence, achieving a pacified society with liberty thereby, as well as cultural recovery and openness, and the creation of a pluralistic society. And, finally, I would mention the need for reconversion and reindustrialization in the Basque Country, as part of the overall context.

EFE: What issues are priorities in the interview?

RJ: The first is the development of the Statute and a discussion of differences in interpretation of the transfers that have been negotiated. The second is the problem of future legislative development among the basic sectors of Spanish society and its repercussions on Basque autonomy. Third would be the joint responsibility of both governments for the economic and industrial policy of the State's government. Fourth is the implementation of the economic and financial accords in the Basque Autonomous Community (elimination of the 1981-82 quota, setting of the new quota and interterritorial compensation, among others); and, finally, institutional adherence to the legislation in force and a series of topics of a specific type.

EFE: Do you have hope that this meeting may improve the relations?

RJ: I believe that this is a necessary meeting after 6 months of intense, thorough negotiations in most instances, and I believe that it will be a clarifying meeting. My hopes are focused on the possibility that commitments for development and continuity will result from the talks, which will enable us to resolve the unsettled differences through dialog.

EFE: Is there a dialog between Ajuria Enea and Los Olivos?

RJ: Yes. My personal contacts with the lehendakari are frequent and cordial, without precluding the differences that we sometimes have; but I am satisfied with my relations and the president of the Basque Government.

We have not discussed the differences between the two governments in depth, because my talks with the lehendakari have not been held on that level.

EFE: After the good exchange between Guerra and Garaikoetxea at his swearing in, what reasons led to the current situation?

RJ: What I would like to add to what I said at the beginning is an idea regarding Basque autonomy as a whole. There has been a great deal of responsibility and honesty in the negotiations on the government's part. There have been offers in all the areas of negotiation and if those offers had been accepted, the image reflected by the institutional relations would be quite different today.

I do not believe that Basque autonomy is in jeopardy. The message that Basque autonomy is deteriorating or that the Statute of Autonomy is in danger is false and electorally inspired.

When there is fear that the sectorial laws may curtail the autonomy, it must be said that the government does not wish either to impose conditions on, or to curtail the autonomy with the sectorial or basic laws. Nor is it just or tolerable to question the sovereignty of the Cortes for passing the laws incumbent on it, or to hamper or impose conditions on the renovation of our legal framework and the social transformation that Spain needs; a renovation and transformation which a modern state urgently requires and to which PSOE is committed in its program.

EFE: How would you assess the rejection of the ZEN Plan by municipal governments, institutions and some political parties?

RJ: I believe that the ZEN (Special Northern Zone) Plan is being subjected to a pejorative manipulation. The ZEN Plan is not sufficiently well known and, on the basis of both circumstances, there must be less talk about the plan and more about its purposes, which are to improve public security, to gear police action to the institutions of the Western democracies and to improve the efficacy of the battle against terrorism.

EFE: Do you think that the Basque Government supports the ZEN Plan?

RJ: I am convinced that the Basque Government understands, comprehends and accepts the ZEN Plan. The fact that political reasons are forcing it into a discreet position regarding its public assessment is another matter.

EFE: Is there another plan being prepared, which is not known?

RJ: No. There are public security plans devised by the Ministry of Interior for many areas. For the Basque Country there is the ZEN Plan, which is a flexible document affording the elimination of unsuitable proposals or additions that might become necessary. We have requested the cooperation of the Basque Government for both purposes.

'We Shall Not Duplicate the Police Forces'

EFE: What will happen to the State security corps as the Basque police assume the authority acknowledged in the Statute?

RJ: The assignment of the State security corps is closely linked to the Security Board's resolution on the deployment plan.

We shall not duplicate the police forces, and it must be made clear that the State security forces are assigned the duties relating to supracommunity and extracommunity services.

What is obvious is that we lack a definition of the extracommunity and supracommunity concepts, and we are working on this. In September, we shall go into depth with the deployment plan, because it covers all these matters.

EFE: What information do you have on ETA's [Basque Fatherland and Liberty Group] activity?

RJ: I don't think that anyone has reliable information regarding ETA's plans; but we must not harbor false illusions in this regard. It is quite clear that ETA is maintaining its terrorist activity, despite the deepseated changes that have occurred in the Basque society and Spanish society. ETA doesn't care that there is a consolidated democracy in Spain, with a popular government backed by a wide majority of citizens; and it despises both the Basque autonomy and the majority of Basque citizens who back that autonomy.

ETA only wants to impose its minority goals with the blackmail of terrorism and, consequently, this battle, this serious tragedy that the Basque people are suffering, can only be resolved by the victory of the majority.

EFE: Does the ZEN Plan entail a serious obstacle to the terrorist activity?

RJ: Insofar as the ZEN Plan fulfills its purposes, logically, yes. That is why they are fighting it.

EFE: What significance does the sending of the Spanish flag to the Ministry of Interior and the incidents at the Irun town hall hold for you?

RJ: Both are serious actions, of enormous significance to political stability.

To question the Spanish flag is an act of political irresponsibility which is understandable because of the lack of conscience or the fanaticism of its perpetrators. There must be a break with the myth of Francoist Spain in the Basque Country.

The constitutional flag is the symbol of a democratic state of law, which reflects the solidarity and unity freely accepted by the peoples and citizens of Spain.

The Spanish flag has its place in the Basque Country and, with the representation of the State which they display, the Basque nationalists must give assurance of this fact.

As for throwing the ballot box out the window, it is an act which speaks for itself; it is the best reflection of the fascist ideology that inspires its performers.

But it concerns me even more that the legality has been questioned by democratic representative institutions. I have never understood the notion of "observing but not complying"; because if one obeys, one complies. Some recent PNV demonstrations questioning the legal order and the verdicts of the courts cannot be tolerated in a party which displays the executive authority and which, therefore, is obliged to oversee compliance with the laws.

EFE: After the recent statements by the government's spokesman, do you believe that both flags should be placed on buildings of autonomous institutions?

RJ: I believe that the Law on Flags must be obeyed restrictively, and it seems splendid to me that the two flags should fly together; because both have their meaning and significance in any part of the Basque Country.

The civil governments and the government delegation display both flags with the same satisfaction and with their respective representative status.

2909

CSO: 3548/476

## ADDITIONAL DETAILS REPORTED ON FIELD-ARTILLERY PURCHASE

Helsinki HUFVUDSTADSBLADET in Swedish 8 Jul 83 p 2

[Text] The defense authorities have ordered field artillery worth 100 million marks from Tampella. The government made this decision on Thursday. According to the armed forces, the 155-mm field artillery pieces will replace technically outdated materiel that will be removed from service. The artillery can be delivered toward the end of 1987.

The order has an employment effect of 440 man-labor years and 96 percent of the cannons will be domestically produced.

The order is based on an appropriation for acquisition in this year's budget. The authorization involves a renewal of domestic field artillery orders in the period 1983-87.

According to the head of Tampella's weapons division, Pentti Silvast, this is the biggest order Tampella has received from the armed forces since World War II.

"In the past, the armed forces has bought field artillery from the Soviet Union, primarily for trade policy reasons. I see the orders we have just received as evidence that they esteem our high quality," Silvast told HUFVUDSTADSBLADET.

According to Silvast, Tampella's cannons are in a high international class. They were developed over a 25-year period. Tampella delivered field artillery to the armed forces most recently in the 1960's.

Silvast would not comment in detail on the employment effect the order is said to have. But he said that at least they could now employ the labor force they already have today.

6578

CSO: 3650/249

## BUDGET CONSTRAINTS ONE CAUSE OF AIR FORCE MISSILE LACK

Stockholm SVENSKA DAGBLADET in Swedish 24 Jun 83 p 9

[Article by Erik Liden]

[Text] The armament for Sweden's fighter force is being delayed and weakened. The Viggen will lack a modern air-to-air missile for several years to come. OB [Supreme Commander of the Armed Forces] Lennart Ljung has said no to the U.S. Sidewinder 9-L, which was to have been bought this year for just over 500 million kronor. The government will approve that proposal either today or on 30 June.

One reason is the air force's poor financial condition. It is clearly experiencing cash problems as the new fiscal year approaches. Another reason is that the Sidewinder is being developed into more modern versions for which Sweden does not have procurement authorization.

Since the commotion surrounding Datasaab in 1977 and 1978, when American technology was reexported without permission to Air Force Headquarters in Moscow, American authorities have been very restrictive with export permits for modern technology.

Not the Latest

There had been plans for several years to acquire an air-to-air missile for the Viggen when Secretary of Defense Caspar Weinberger visited Sweden in the fall of 1981. As a result of his visit, the one chosen was the Sidewinder 9-L--that is, not a more modern variant produced in the FRG or the very latest, the 9-M, which is now being developed in the United States.

Costs have risen rapidly. With the dollar currently worth about 7.60 kronor, the Sidewinder has become several hundred million kronor more expensive than was planned.

The OB therefore wants to consider whether the older Sidewinder 9-J, which is currently found on the Drakens and Viggens, can be modernized at a cost considerably below the 500 million kronor or so that the Sidewinder 9-L was expected to cost.

Saab and Bofors will also determine whether the project for the IR air-to-air RB-72 missile, which Eric Kronmark dropped in 1978, can be resurrected and eventually replace the Sidewinder. The RB-72 was dropped when it became impossible to reach agreement on the B3LA attack plane.

There is great irritation on the Air Force Staff over the OB's decision, which was made last week. It is being said that if the performance of the fighter version of the Viggen is to be utilized to good advantage, its armament must also be modern. A missile of the Sidewinder type or better is therefore absolutely necessary if Swedish pilots are to have a chance of surviving fighter combat with an aggressor in modern planes.

#### New Life

The Swedish missile industry has gotten a new lease on life following the successful development of the RB-70 surface-to-air missile, the Bill antitank missile, the air-to-surface RB-15, and further development of the latter for the JAS (Gripen) aircraft. If RB-72, a new heavy antitank missile, a coastal guided missile, and an army missile can be produced, employment and development capability in Karlskoga and Linkoping will be guaranteed far into the next century.

11798

CSO: 3650/235

## MILITARY RESEARCH AGENCY DEVELOPS ANTI-MINISUB WEAPON

Stockholm SVENSKA DAGBLADET in Swedish 26 Jun 83 p 6

[Article by Erik Liden]

[Text] Researchers at the FOA (Defense Research Institute) felt as far back as 1973 that the principles now being tested by the navy in connection with the miniature mine known as Elma were doomed to fail.

The name "Elma" existed as early as 1973, when it referred to electromagnetic action directed toward a submarine's hull, as was defined in public patent applications. Practical tests later showed that the principle involving magnetic induction of the mine was completely unrealistic. But researchers and manufacturers are still arguing about how good the chances are for fixing the Elma to a submarine hull with the help of magnets and thereby detonating the charge at the right moment.

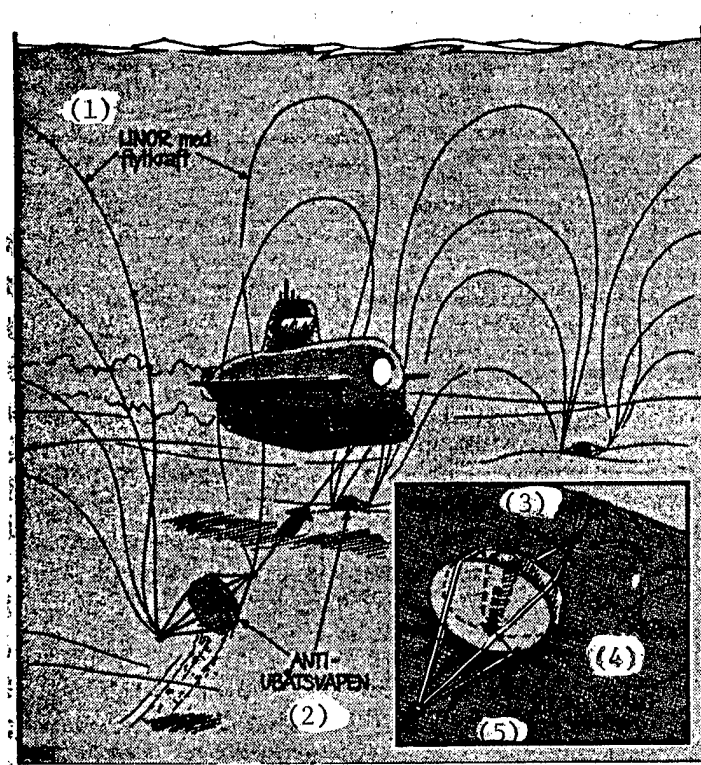
Two FOA researchers, Associate Professors Erik Witalis and Lars Fornaeus, have been thinking about suitable antisubmarine weapons at various depths since 1976. Patents were recently granted for an invention using nets and lines that can be dropped quickly from helicopters and ships. Several small mines are attached to lines and reels in the net, and when a submarine makes contact, they turn toward its hull.

A 2-kilogram shaped charge is then triggered by induction of magnets and a coil or pin that makes direct contact. This means that instead of being hit by Elma, the submarine itself strikes the Elma mines that are treacherously attached to various nets.

It is not yet clear whether the navy intends to conduct practical tests with the patented invention.

To ensure that the charge detonates at the right moment, the mine is attached to a line, which means that the mine rolls over the submarine hull just as the mine is being influenced by the pull from another mine or a bottom attachment, a float, or something similar.

When a line gets caught on a vessel moving through the water, a mine will be pulled up toward the hull. When the mine has rolled into the right position,



The now-patented method of hunting minisubs is based on a simple principle involving lines and miniature mines that are drawn toward any submarine touching the lines. The charge does not detonate until it is pointed at the submarine's hull. That positioning is facilitated by reels (see the inset).

Key:

1. Buoyant lines
2. Antisubmarine weapon
3. Reel
4. Submarine hull
5. Shaped charge

the charge is detonated, and the result is a hole at least 1 centimeter big in the submarine's hull.

If the hole is produced in a vital part, the submarine will have to surface, since its pumping capacity will not be sufficient to evacuate the water that is pouring in. A hole that is 2 or 3 centimeters big will require immediate surfacing and repair at a shipyard.

There is no serviceable system using shaped charges underwater in military use anywhere in the world today. The big difficulty lies in guiding the mine so that its charge will actually penetrate a submarine's hull. The Patent Office has determined that the invention by Witalis and Fornaeus is the first instance where those problems have been solved.

According to the inventors, there would have been a good chance of forcing the minisubs in Hars Bay to the surface if the antisubmarine nets with mines had been in place at the various barriers that were set up.

11798

CSO: 3650/235

## REPORTER INTERVIEWS HEAD OF MILITARY INTELLIGENCE AGENCY

Stockholm SVENSKA DAGBLADET in Swedish 26 Jun 83 p 6

[Report on interview with Ulf Samuelson, head of the Swedish military intelligence agency, by Omar Magnergard; date and place not specified]

[Text] Only now--10 years later--is it being said that the military intelligence agency has recovered reasonably well from the disclosures concerning the IB [Military Intelligence Service] in 1973.

The Military Intelligence Service, or IB, has changed its location, its personnel, and even its name. For the past couple of years, it has been called the SSI, which is the abbreviation for Section for Special Intelligence Gathering.

The reorganization has cost the country a lot of money and caused personal problems for individuals, who of course were "burned" by the publicity and forced to change jobs.

Rear Adm Ulf Samuelson says: "But I still feel that in its own way, the scandal was a good thing. Now it is generally known and accepted that we have an intelligence agency. There is nothing remarkable about it."

Ulf Samuelson is head of the military intelligence agency.

Offices on Lidingo Road

He sits in the Bastion [Armed Forces Staff Headquarters] on Lidingo Road in Stockholm as the man responsible for what is called Operations Section 5. It includes the intelligence, security, and attache sections as well as the SSI.

The SSI is a small, supersecret unit scattered around in city and countryside. It hides behind various covers. The signs on its doors carry ordinary business names. The people at one SSI office are not sure of the names of those at another SSI office. The SSI employee's wife or husband has a telephone number, but for the children, it is out of the question to go visit the place where Mom or Dad works.

Ulf Samuelson says: "Along with the FRA (Defense Radio Institute), the SSI is our most important source of intelligence."

It is the SSI's job to find answers to questions that the intelligence agency cannot clear up by ordinary means--meaning radio and other intelligence, reports from our 22 defense attaches, the avid reading of technical journals, information from refugees and travelers, and so on.

### Systematic Surveillance

All intelligence work is based on experience. Systematic surveillance makes it possible to build up a normal picture of--primarily--our immediate vicinity and of activity by foreign military forces. The intelligence agency knows, for example, the months in which maneuvers are usually held. If a major exercise takes place at some other time of the year, there is reason to investigate the reason.

It may be that Sweden had not noticed that exercise before. Or perhaps the other country is adopting another pattern for its exercises. There may also be other circumstances--a disguised troop concentration, for example.

A classic example is the Soviet entry into Czechoslovakia in 1968.

"A couple of months before it happened, we knew that the Soviet units had been deployed in such a way that they could go in if they wanted to. But of course, we did not know that they were going to do so."

When the IB began making the headlines practically every day, its contacts with foreign espionage organizations were broken off. Those contacts are now said to have been patched up.

Ulf Samuelson points out: "And we were not the only ones who crashed, of course. Look at the British. Russian agents have been discovered high up in the British intelligence agency on several occasions."

The Swedish intelligence agency cooperates--with the government's permission--with the intelligence agencies of several countries. But which countries they are is a strictly kept secret. Even the Defense Committee does not know.

### Secrecy Essential

"Complete secrecy is an essential condition for being able to collect information "by special methods"--that was already emphasized in the government report entitled "The Military Intelligence Service."

(That report came out after the IB scandal in 1974-1976. The investigating committee was headed by the former chancellor of Swedish universities, Nils Gustav Rosen, and its members included Gunnar Hedlund and Nancy Eriksson, among others.)

Information gathering "by special methods" is the exclusive preserve of the SSI. Exactly what the expression means is something no one wants to talk about.

It seems obvious, however, that agents with or without slouch hats are no longer in the business today. They are not especially useful in a world of satellites

and constantly new technical spying tools. For our day, increasingly refined technological--and psychological--methods are used.

The key words among today's intelligence people are trust, personal contact, kept promises, and the small circle.

Ulf Samuelson says: "It is seldom or never a question of gifts, bribes, or money."

He hopes that no one except himself, OB [Supreme Commander of the Armed Forces] Lennart Ljung, and Bror Stefenson, chief of the Defense Staff at the military headquarters in the Bastion, is closely acquainted with the SSI's organization. Ulf Samuelson and the secret SSI chief meet "very regularly." But even so, not even Ulf Samuelson knows who works in the SSI.

#### Results Shown in Reports

"I see their results in the form of reports. I am not concerned with who obtained the basic data or how it was done as long as they stayed within the law."

The reports go into the intelligence agency's files. Every year, 22,000 reports from various quarters are added to those files. Often with the help of computers, the reports are evaluated, recorded, studied in detail, and collated, and finally a conclusion is reached. Many small pieces in a puzzle can provide an overall picture.

Naturally, the SSI was involved in investigating the submarine intrusions.

"But unfortunately, it did not provide us with much that was new. Certain ideas that we already had were confirmed by the SSI's material, and in general, that is all."

#### Crises Studied

In the wake of the IB scandal, Associate Prof Stig Ekman made a comprehensive study of five crises--the Finnish note crisis of 1961, Cuba in 1962, the Six-Day War in the Middle East in 1967, the military takeover in Greece in the same year, and Czechoslovakia in 1968--and of what the Swedish intelligence agency really knew in advance.

The material is still classified secret. But SVENSKA DAGBLADET was told by both Ekman and Samuelson that the alarm bells functioned fairly well. In other words, there was nothing particularly wrong with the sources. On the other hand, there were shortcomings in the handling of the information received.

Ulf Samuelson says: "We were short of personnel and stamina. There has now been a reorganization, and the resources for analysis have been beefed up."

## Board To Oversee "New" IB

As a result of the IB scandal, we now have an Intelligence Board whose job it is to keep a constant watch on the intelligence agency.

Its terms of reference emphasize that the board is to scrutinize in particular the SSI, the methods it uses, the principles it follows in recruiting and training personnel, its budget proposals, and so on.

Sven Eric Akerfeldt (Conservative Party) says: "I feel that we have good control over their activity. At least once a quarter, we meet with representatives of the intelligence agency."

Akerfeldt is currently the board's chairman. Its other members are Ingemar Konradsson and Anita Johansson (both of the Social Democratic Party), Rolf Dahlberg (Conservative Party), Ola Nyquist (Liberal Party), Supreme Court Justice Hans Stark, and Soren Nilsson, head of division in the Ministry of Defense, who is the board's secretary.

## Brief Minutes

The public minutes of the board's meetings are extraordinarily brief. It is clear, however, that the board has visited the SSI's premises and met with employees there and at the Defense Radio Institute, the Defense Materiel Administration, and the intelligence services of the various military staffs.

The board knows which foreign intelligence organizations Sweden cooperates with. Sven Eric Akerfeldt declined, however, to give SVENSKA DAGBLADET even an idea of their number. Nor would he do more than confirm that travel expenses are often signed for by SSI employees using cover codes.

Soren Nilsson points out: "The activity is carried on by totally lawful means--in Sweden. Not once have we on the board had reason to object."

During the IB scandal, the intelligence agency was accused of burglary, illegal wiretapping, infiltration of leftist groups, and the keeping of secret files on Swedish citizens. We were assured that such things no longer happen.

## Interested in Sweden

Foreign countries are said to be paying considerable attention to Sweden. That kind of activity--espionage in and against Sweden--is the business of the security police.

The intelligence agency's job is to gather information on military, military political, and geomilitary conditions that it might be good to know about.

Rolf Holmquist, associate judge of the court of appeal and an official in the Ministry of Defense, says: "Sometimes it is difficult to define the boundaries. Even information that is not strictly military is sometimes procured."

Rolf Holmquist regards the "freshening-up" of the intelligence agency as a positive consequence of the IB scandal. Gen Stig Synnergren, who was OB at the time, agrees.

Clear Need

Synnergren says: "After the IB affair, everyone saw the need for us to have a real intelligence agency. But that was the only thing good about all that was written on the subject. Considerable damage was done."

It should be pointed out that with its Intelligence Board, Sweden is one of the few countries to monitor and control its intelligence agency.

11798

CSO: 3650/235

## OVER HALF OF NEW CONSCRIPTS DOUBT DEFENSE CAPABILITIES

Stockholm SVENSKA DAGBLADET in Swedish 26 Jun 83 p 6

[Article by Hans O. Alfredsson]

[Text] More than half of the new conscripts believe that Sweden has little chance of staying out of a major conflict in Europe. An equal number believe that in such a situation, Sweden would have little chance of defending itself.

That is the result of a survey conducted at Stockholm University's Sociological Institute.

More than half of those polled--55 percent--also believe that our defense forces increase our chance of staying out of a war in Europe. Just under half--47.8 percent--believe that the defense forces would discourage any of the belligerents from attacking us. Almost as many--41.8 percent--believe that the deterrent capacity of the defense forces is small.

The survey is based on a poll of those who registered for compulsory military service last fall. The sample consisted of about one-fifth of those registering. In all, 1,865 future conscripts answered the questions.

The purpose of the survey was to ascertain the attitude of conscripts toward Sweden's defense forces. It was the first step toward a paper covering the years from 1982 to 1984. Lennart Jung is responsible for the work, and Associate Professor Lennart Kempe is supervisor.

The interviewers asked the same questions that the National Psychological Defense Planning Committee has used in similar surveys. The answers were processed by computer.

#### Little Confidence in North

Of those responding, 55.8 percent feel that Sweden has little chance of staying out of a major conflict--that is, of remaining neutral. On the question of Sweden's chances for achieving what the interviewers call "one of Sweden's most important security policy goals," the greatest pessimism is found among young people in the rural areas.

The lowest level of confidence in the ability of our defense forces to keep the peace is found among conscripts in the two northernmost recruiting areas. Fewer than half of those polled in those areas believe that the defense forces increase our chance of staying out of war.

In all, 54.7 percent believe that Sweden has little chance of defending itself in a war, while 36.4 percent believe that the chances are good, and 8.9 percent are uncertain.

The survey also shows that three-fourths of the new enlistees have a completely positive attitude toward conscript service: 77.6 percent consider conscript service appropriate for all male citizens, and 75.2 percent consider it appropriate that they be obligated to defend the country with weapons. In both cases, those unequivocally opposed total about 10 percent.

And 73.1 percent feel that we must put up armed resistance if we are attacked, "even if the outcome appears uncertain."

11798

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## SVEN ANDERSSON NAMED HEAD OF PSYCHOLOGICAL DEFENSE BOARD

Stockholm DAGENS NYHETER in Swedish 6 Jul 83 p 6

[Report on interview with Sven O. Andersson and Per-Axel Landahl, chairman and manager respectively of the Psychological Defense Planning Board, by Peter Bratt; date and place not specified]

[Text] "The submarine incidents were a moment of truth for many people, who are being forced to take a stand. On the one hand, we have the fellow travelers, and on the other we have the crusaders."

So says Sven O. Andersson, editor in chief of STOCKHOLMS-TIDNINGEN, who has just taken over as chairman of the Psychological Defense Planning Board.

The Psychological Defense Planning Board--known popularly as "psych defense"--is housed next to Riddarholm Church and has a view of City Hall. It has a budget of 3 million kronor and 10 employees. Its manager is Per-Axel Landahl.

The board's job is to organize and train people for the Public Information Center (UC), which operates in crisis situations and in wartime. The UC has only advisory functions, even in wartime.

Sven O. Andersson says: "So I am chairman of the board and nothing else. I can come up with suggestions and ideas and be someone to discuss things with Landahl. Before I took the job, I inquired about two things: whether the job would take so much time that it would encroach on my job at STOCKHOLMS-TIDNINGEN and whether it would affect my position as an independent participant in the defense debate."

He was born in 1923 and has worked in the Social Democratic movement all his life. He has been a journalist since 1945 and a participant in the defense debate since the 1960's. He finds it amusing that he has been called a "blue" rather than a "gray" Social Democrat. He is careful to make it clear when he is speaking as editor in chief and when he is speaking as chairman of the defense board.

## Seminar on War

Andersson was asked by Minister of Defense Thunborg to accept the job, and he took over on 1 July. He has not yet really familiarized himself with the

data, but since the board's activities are concerned with war, he does not feel that his position as an independent debater in peacetime will be affected.

Sven O. Andersson says: "The UC will begin its work in wartime, of course, but this business with the submarines has shown that there is a broad gray zone of crises and strains on our neutrality policy and on the defense forces. I would like to organize a seminar around what happened in Sundsvall to compare what we know, what the authorities said, and what the mass media reported. Where does all the speculation come from and why? How is public opinion affected? How are the military affected by the heightened expectations?"

Per-Axel Landahl, who as we said manages the operation and is responsible for its studies, says:

"Gray Zone" a Problem

"In the country's critical situations, it is clearly observed that journalists behave correctly toward the government officials concerned. The danger that a newspaper will come up with something adversely affecting Sweden's interests in a sensitive situation is negligible. The newspaper that does such a thing will never sell another copy."

Landahl says: "The gray zone is a problem for all democracies. If the board or the UC took a hard line, it would be acting like the Information Office during the war, and then we would have problems."

(During the war, the Information Office was closely linked to the security police, and there was a network of informers working for both the office and the police. The office was able to curb the mass media, and it often did so.)

Per-Axel Landahl says: "Naturally, it is conceivable that we will wind up in a situation where we not only should but must have a system similar to the one we had during the war, but the important thing is that we should think the problem through ahead of time and know what we want. Studies of the Falklands War show that we probably have better preparedness than the British, and in any case, we have a much greater will to be open and honest."

DAGENS NYHETER: "How do you view that part of the peace movement calling for unilateral disarmament?"

Disarmament

Sven O. Andersson answered: "There was a time when I was seriously disturbed by it, but I was concerned mainly about its effects within my own party. But I don't feel that it is dangerous for pacifists to spread propaganda for unilateral disarmament. What is dangerous is for politicians favoring national defense to remain silent in the face of other politicians and leave it up to professional soldiers to defend our official defense policy."

Per-Axel Landahl said: "Our studies show that about 10 percent of the country favors disarmament and that about 3 percent are radical pacifists who don't want any defense at all."

DAGENS NYHETER: "Have our defense forces been weakened to the extent that they have lost their credibility?"

Sven O. Andersson said: "I don't think that level has been reached."

Per-Axel Landahl said: "People underestimate our defense forces. They forget the value of our mass army of conscripts. There is almost nothing like it anywhere in the world."

DAGENS NYHETER: "Are communists security risks in wartime?"

Sven O. Andersson said: "One cannot say so generally. But when people write now about the internment camps for communists during the war, they forget that there were reasons for establishing those camps. I belong to a generation that was shaken by the conduct of the communists while the pact between Hitler and Stalin remained in force--from 1939 to 1941. By their fellow-traveling."

DAGENS NYHETER: "The board is to keep track of how foreign powers try to influence Swedish public opinion. So do you cooperate with the intelligence agency?"

Per-Axel Landahl answered: "We don't cooperate, but we are notified of any information that concerns us. The problem is that the information is so meager. As far as the Soviet Union is concerned, we carefully follow their Swedish broadcasts. They have become better at it, but they still make serious mistakes and misjudgments in the propaganda they direct at the Swedish people."

DAGENS NYHETER: "If there is a nuclear war, will we fight, too?"

Chairman Sven O. Andersson answered: "I take it for granted, yes."

11798

CSO: 3650/236

GENERAL

ICELAND

SOVIET RESEARCH VESSELS GAIN APPROVAL FOR VISITS

Reykjavik MORGUNBLADID in Icelandic 14 Jul 83 p 12

[Article: "Research Permit to Soviet Vessels: Five Ships Have Received Permits, Three Requests Waiting"]

[Text] Five research permits have been granted to Soviet ships this year and there are still three applications from the Soviets for permits for research ships that have not been approved, according to information MORGUNBLADID received from the Foreign Ministry yesterday.

The ministry has requests from three Soviet ships to dock here, but these requests have not been attended to. Two of the five ships that have received permits are now in harbor here to pick up water and supplies, according to information from the ministry. It can also be mentioned that two Soviet research ships docked here in June. Furthermore, it can be mentioned that several Soviet ships have requested more than one research permit, and it also came forth that some of the ships that originally applied for permits have cancelled.

9583

CSO: 3626/47

GENERAL

ICELAND

BRIEFS

SOVIET PLANES TO KEFLAVIK--A Soviet cargo plane will make a 1-hour stopover at Keflavik Airport about 17:30 today, Thursday, to refuel. The plane is enroute to Cuba, according to information MORGUNBLADID received from the Foreign Ministry yesterday. It is not known what type of cargo the plane is carrying between the countries. This is the 13th Soviet airplane to make a stop in Iceland since the invasion of Afghanistan in 1979, but early in 1980, a Soviet airplane enroute to Cuba requested to make a stopover here, but the ground crew at Keflavik Airport refused to service the plane and it flew past Iceland. According to the information from the Foreign Ministry, this is an airplane from the Soviet airline Aeroflot which the Cubans have chartered for cargo transport. The Soviets and Icelanders are members of the so-called Chicago pact, which allows the Soviets to make a stopover here if it does not involve a military aircraft. In fact, they do not have to apply for a landing permit if it only involves repair or refueling. Some months have passed since the last Soviet aircraft made a stop here. [Text] [Reykjavik MORGUNBLADID in Icelandic 14 Jul 83 p 12] 9583

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